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DECEMBER 1984 MONTHLY REPORT January 15, 1985

Surveys of Consumer Attitudes

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OPTIMISM FADES: JOB PROSPECTS TOP CONCERN

- In the December 1984 survey, the Index of Consumer Sentiment was 92.9, down from 95.7 one month earlier, and 100.9 three months earlier. The December 1984 survey marked the first month during the last two years that the Index figure was below the year earlier reading (94.2).

- Among families with incomes of $25,000 or more, the Index of Consumer Sentiment was 100.1 in the December survey, down from 111.0 one month earlier, and below the 104.5 recorded one year earlier.

- Although a near record proportion of consumers continue to favorably view the annual rate of progress made by the economy, consumers have become aware of unfavorable economic developments during late 1984. News heard about recent changes in the economy were unfavorable on balance in the December survey for the first time in nearly two years, largely reflecting less favorable employment trends.

- Unemployment was more frequently expected to increase than to decline in the December survey, although the margin of difference was small (21 versus 28 percent). This stands in sharp contrast to one year earlier, when twice as many families expected declines rather than increases (36 versus 17 percent).

- Interest rate expectations continued to improve in the December survey, following sharp increases in early 1984. Among all families, 37 percent expected interest rate increases in December, down from a high of 68 percent in April, while 30 percent expected interest rates to decline during the year ahead, up from just 8 percent in April.

- Buying attitudes remain largely unchanged at year end, following declines from cyclical peaks earlier in 1984. The proportion of families holding favorable buying attitudes in December was identical to the November reading for large household durables (67 percent), vehicles (55 percent), and homes (54 percent). Each was approximately 10 percentage points below the cyclical peak levels recorded in the Spring of 1984.

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The small year end decline in consumer sentiment indicates the transition from the prolonged enthusiasm which accompanied the rapid recovery to the accustomed awareness of the ongoing economic expansion. Even after the small decline, consumer sentiment remained more favorable at year end 1984 than at the cyclical peak recorded in the late 1970s. Thus far, most of the decline has been concentrated in movement from expectations for continued improvement toward the expectation that economic conditions would remain largely unchanged, rather than toward unfavorable expectations. These data indicate that consumer spending will be maintained at its improved levels through mid 1985. But unlike the later stages of past expansion periods, when the unrelenting pressure of rising prices promoted advance buying, buying attitudes have become increasingly dependent on the availability of price discounts. Consequently, buying behavior has become more responsive to the pricing policies of individual sellers, rather than to aggregate price trends.

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Slower Growth Lowers Employment Prospects

The progress made by the economy during the past year was viewed favorably by the majority of consumers in the December 1984 survey. Among all families, 63 percent thought that business conditions improved during the past year, unchanged from one-month earlier, and below the 71 percent recorded one year earlier. Even after this small year-to-year decline, consumer evaluations of the annual rate of progress made by the economy remain near record favorable levels—as they have since the spring of 1983. However, during late 1984, consumer perceptions of ongoing economic developments suggested a continued erosion of favorable evaluations during the upcoming year.

The December 1984 survey marked the first month since the start of 1983 that consumer perceptions of recent economic developments were on balance negative. When asked whether they had heard and could recall news of changes in the economy during the past few months, reports of favorable economic developments fell to 39 percent in the December 1984 survey, down from 60 percent one year earlier. At the same time, reports of unfavorable developments rose to 42 from 25 percent. The major shift in the content of news heard involved job prospects. Reports of increases in employment fell to 11 percent in December 1984 from 22 percent one year earlier, while reports of increases in unemployment rose to 17 from 13 percent.

This shift in reports on recent developments for job prospects was also reflected in less favorable expectations for the year ahead. By year end 1984, the expectation that unemployment would increase was more frequent than the expectation that unemployment would further decline during the year ahead. This stands in sharp contrast to one year earlier, when twice as many families expected unemployment to decline rather than to increase. Among all families in the December 1984 survey, 21 percent expected unemployment to decline during the year ahead, down from 36 percent one year earlier. Increases in unemployment were expected by 28 percent in December 1984, up from 17 percent one year earlier. Importantly, half of all consumers in the December survey expected

unemployment to remain largely unchanged at its current level during the year ahead.

Prospects for the Economy: Diminished but Still Favorable

Business conditions were expected to improve during the year ahead by 33 percent of all families in the December 1984 survey. This figure was largely unchanged during the last nine months of 1984, but was significantly below the 44 percent recorded one year earlier and the cyclical peak of 55 percent recorded in early 1983. Importantly, the proportion of families that expected worsening business conditions has not risen to the same extent, reaching just 16 percent by year end 1984 from 6 percent in early 1983. Consequently, these data indicate consumers expect slower economic growth, not renewed recession.

When asked to explain whey they thought business conditions would improve or worsen during the year ahead, the December 1984 survey recorded for the first time in nearly two years a somewhat higher proportion of respondents that unfavorably referred to the impact of government economic policies than gave favorable references—although the margin of difference was small. Unfavorable references to government economic policies were made by 15 percent of all families in December, up from 6 percent one year earlier. The primary reason underlying this increase was references to the unfavorable impact of government policies concerning taxes and deficits.

Despite the small rise in concern over the potential impact of government fiscal policies, confidence in government economic policies to control inflation and unemployment remained at record favorable levels. Among all families in the December 1984 survey, 33 percent favorably rated government economic policies, while just 16 percent gave these policies an unfavorable rating. This represents the most favorable balance of opinion recorded thus far under the Reagan administration.

Good times financially in the economy as a whole were expected by 59 percent of all families in the December 1984 survey, unchanged from one month earlier, and below the 67 percent recorded one year earlier. Bad economic times were expected by 28 percent of all families in December 1984, just above the 27 percent recorded one month and one year

earlier. Economic prospects over the longer term also declined by a modest amount. Among all families in the December 1984 survey, 39 percent expected good times financially over the longer term, down from the peak of 47 percent recorded three months earlier, but equal to the year earlier figure. An unfavorable economic outlook for the longer term was held by 41 percent of all families in the December 1984 survey, up from 31 percent three months earlier, and above the year earlier figure of 37 percent. Despite the small declines in both short term and long term evaluations, by year end 1984 they nonetheless remain near peak cyclical levels.

Interest Rate Expectations Improve

Interest rate expectations continued their decline in the December 1984 survey, completely reversing the substantial increases recorded during the first half of 1984. The proportion of families that expected interest rate increases during the year ahead was 37 percent in the December survey, down from the peak of 68 percent recorded in April, and equal to the year earlier reading. Interest rate declines were expected by 30 percent of all families in the December 1984 survey, up from 21 percent one year earlier, and the highest proportion recorded since the spring of 1983.

Favorable Buying Attitudes

The majority of consumers held favorable buying attitudes throughout the last two years. Favorable buying attitudes first reached cyclical peak levels in the spring of 1983. The small declines that were recorded through the balance of 1983 were completely reversed by the spring of 1984. In the March 1984 survey favorable attitudes toward buying conditions for cars reached cyclical peak levels (66 percent), in April favorable attitudes toward buying conditions for homes regained peak levels (66 percent), and in May, favorable attitudes toward buying conditions for large household durables reached an all-time peak level (77 percent). Since the spring 1984 record levels, buying attitudes have again recorded small declines.

Favorable attitudes toward buying conditions for large household durables were held

by 67 percent of all families in the December 1984 survey, unchanged from the November figure. Although the proportion holding favorable buying attitudes in December declined from the all-time peak of 77 percent in May 1984, favorable attitudes remained more frequent than at the close of 1983 (61 percent). The small decline from mid year reflects more complaints about high prices for household durables, rising from 8 to 15 percent, nearly reversing all the improvement since 18 percent was recorded in December 1983. Favorable perceptions of market prices for household durables were held by 32 percent in the December survey, up from 28 percent in November, but well below the peak of 45 percent recorded at the start of the year. Although these shifts in perceptions of market prices have narrowed the favorable balance of opinion, favorable perceptions were still twice as frequent as unfavorable views by year end 1984.

Favorable attitudes toward buying conditions for homes improved by a small amount at year end 1984, following the decline from cyclical peak levels at mid year. Among all families, 54 percent favorably rated buying conditions for homes, up from the low of 48 percent recorded three months earlier, but well below the peak of 66 percent recorded in April, and below the December 1983 level of 57 percent. The shifts in home buying attitudes during the past year have been mainly due to interest rate trends. The spring peak in favorable home buying attitudes was due to concern with rising interest rates, which promoted the appeal of borrowing-in-advance of those increases. Since then, the appeal of borrowing-in-advance has greatly lessened, falling from 23 percent in April to 6 percent by year end. The improvement at year end was due to more frequent references to the current availability of lower interest rates, rising to 32 percent in December from 22 percent three months earlier. References to high interest rates as cause for postponement fell to 30 percent in December from 37 percent three months earlier, but remained above the 25 percent recorded one year earlier.

Favorable attitudes toward buying conditions for cars were held by 55 percent of all families in December, unchanged from the November figure, and just below the 56 percent

recorded one year earlier. Although the December figure of 55 percent is well below the 66 percent cyclical peak recorded in March, it is nonetheless at a level comparable to the mid 1970s peak. The modest decline from peak levels has been due to higher prices and higher interest rates. In the December 1984 survey, 18 percent of all families mentioned the appeal of lower vehicle prices, down from 21 percent one year earlier, and 35 percent two years earlier. During that same time, however, references to high vehicle prices remained largely unchanged at 24 percent. References to the availability of low interest rates fell to 12 from 16 percent one year earlier, while unfavorable references to high interest rates rose to 12 from 9 percent.

Personal Finances Remain Favorable

Consumers' evaluations of their current financial situation, following the rapid and substantial improvement recorded in 1983, were maintained at those favorable levels throughout 1984. The proportion of families that reported their financial situation had improved ranged from 42–48 percent during 1984, which marked the most favorable year since the mid–1960s. In the December 1984 survey, 44 percent reported improved finances, just below the 45 percent recorded one year earlier, and substantially above the 28 percent recorded two years earlier. The major factors behind the initial improvement and subsequent maintenance have been lower prices and higher incomes. References to the adverse impact of inflation on family budgets were made by just 12 percent of all families in the December 1984 survey, unchanged from one year earlier, but substantially below the levels recorded in earlier years. References to changes in family income have remained on balance favorable, but the favorable margin narrowed at year end 1984. In the December 1984 survey, nearly twice as many families reported income increases rather than declines (33 versus 17 percent), which represents a moderate decline from three months earlier when mentions of income increases outnumbered declines by a margin of three-to-one (39 versus 12 percent).

Prospects for future improvement in family finances have also been maintained at very favorable levels throughout 1984. Among all families in the December 1984 survey, 36

percent expected their financial situation to improve during 1985, between the 39 percent recorded one month earlier and the 35 percent recorded one year earlier. Just 11 percent of all families in the December 1984 survey expected their financial situation to worsen during 1985. Income increases were expected by 61 percent of all families in December, between the 62 percent recorded one month earlier and the 60 percent recorded at year end 1983. Approximately one-third of all families expected income increases of 6% or more during 1985; in comparison, only one-fourth of all families expected prices to increase by as much during the year ahead.

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The December 1984 survey was conducted between December 1 and December 31 and included 704 completed interviews.

TABLE A

REFERENCES TO INTEREST RATES IN SUPPORT OF FAVORABLE BUYING CONDITIONS

Survey Date	Durables		Houses		Vehicles	
	Low Rates	BiA Rates	Low Rates	BiA Rates	Low Rates	BiA Rates
8301	7	*	33	4	27	2
8302	7	1	35	5	34	1
8303	7	1	38	6	33	1
8304	12	2	46	8	38	2
8305	12	1	49	6	38	2
8306	13	3	49	12	38	2
8307	14	2	40	9	34	3
8308	11	1	33	11	30	3
8309	9	3	35	12	25	3
8310	6	1	29	9	17	2
8311	6	2	29	11	20	2
8312	6	1	30	11	16	3
8401	8	1	33	8	20	3
8402	9	2	38	12	19	3
8403	8	2	36	13	19	3
8404	8	6	29	23	15	7
8405	7	4	24	20	14	4
8406	7	4	21	17	12	6
8407	5	5	21	16	16	8
8408	6	2	22	13	12	5
8409	6	2	22	12	11	4
8410	7	4	24	11	10	4
8411	8	3	33	11	15	3
8412	8	2	32	6	12	3

NOTE: The proportions given above provide greater detail than is reported in the monthly tables (see Tables 27, 29 and 31). The monthly tables report the total proportion of respondents that made favorable references to credit conditions. The figures above divide this total into those respondents that referred to the current availability of low interest rates, and those that referred to buying-in-advance of rising interest rates.

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SURVEYS OF CONSUMER ATTITUDES

SURVEY RESEARCH CENTER
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TABLES AND CHARTS

JANUARY 1985

The January 1985 survey is the 196th in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

Two charts highlight recent changes and historical patterns for most questions. Recent change charts include quarterly data before 1978 and monthly data starting in January of 1978. Historical series charts show quarterly data before 1978 and 3 month moving averages since then. See the explanatory charts at the end of this book for a detailed description.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

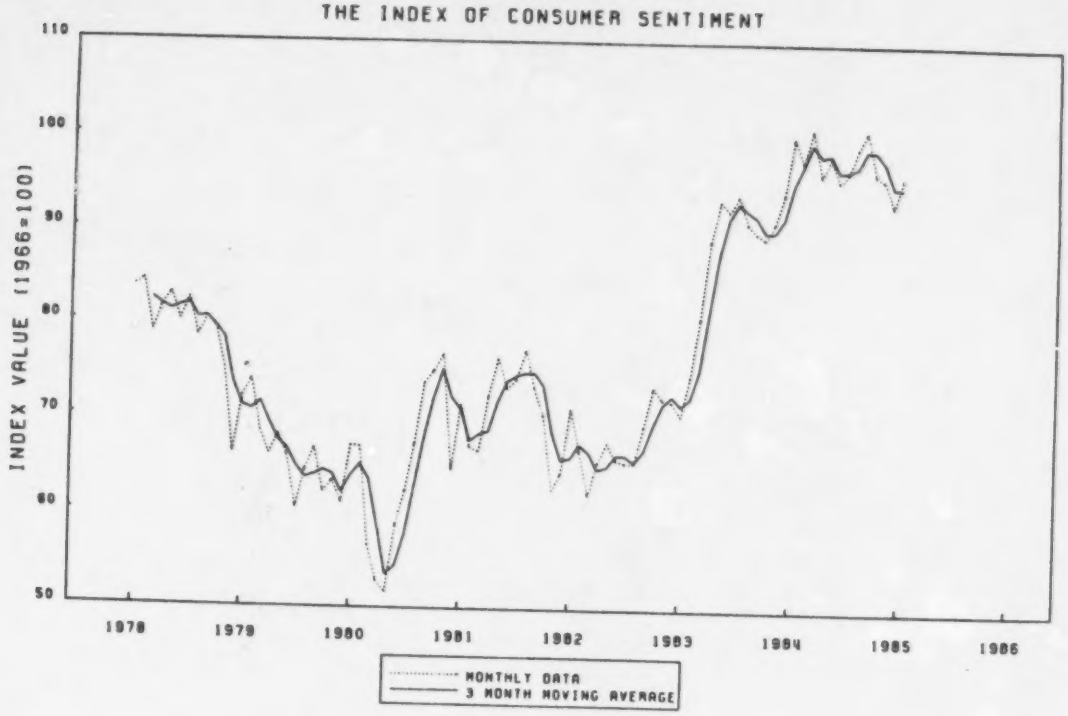


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

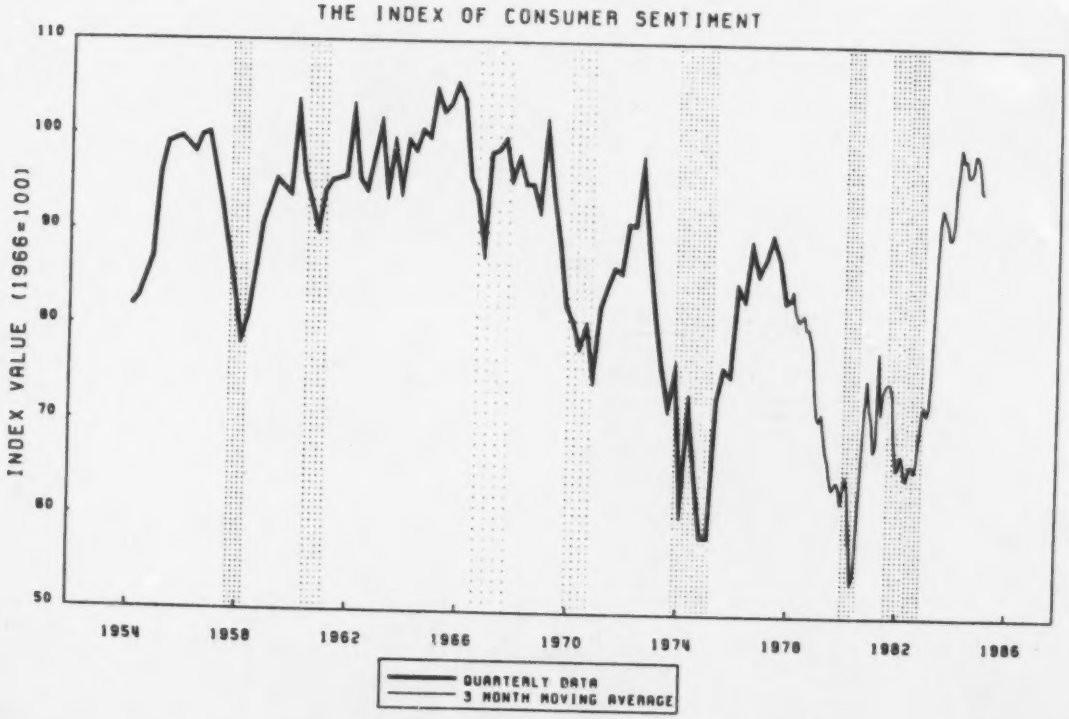


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over $20,000	Families with incomes over $25,000
January 1982	71.0	77.9	77.8
February 1982	66.5	71.5	72.8
March 1982	62.0	67.0	67.9
April 1982	65.5	71.5	73.2
May 1982	67.5	72.7	74.8
June 1982	65.7	71.4	72.9
July 1982	65.4	68.9	69.2
August 1982	65.4	71.0	73.6
September 1982	69.3	78.4	81.1
October 1982	73.4	77.5	80.9
November 1982	72.1	79.3	81.1
December 1982	71.9	78.0	80.5
January 1983	70.4	78.2	78.8
February 1983	74.6	79.9	81.3
March 1983	80.8	88.4	88.9
April 1983	89.1	97.1	99.0
May 1983	93.3	99.6	101.0
June 1983	92.2	101.2	102.5
July 1983	93.9	104.4	106.5
August 1983	90.9	101.2	103.5
September 1983	89.9	99.0	102.3
October 1983	89.3	99.5	101.9
November 1983	91.1	97.2	98.8
December 1983	94.2	101.7	104.5
January 1984	100.1	112.0	114.2
February 1984	97.4	109.6	111.2
March 1984	101.0	110.9	114.2
April 1984	96.1	103.9	105.5
May 1984	98.1	105.6	107.1
June 1984	95.5	104.4	104.5
July 1984	96.6	103.2	102.8
August 1984	99.1	106.7	109.2
September 1984	100.9	109.7	111.7
October 1984	96.3	106.2	107.7
November 1984	95.7	108.6	111.0
December 1984	92.9	99.2	100.1
January 1985	96.0	104.1	106.7

CHART 2A - HISTORICAL SERIES

INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

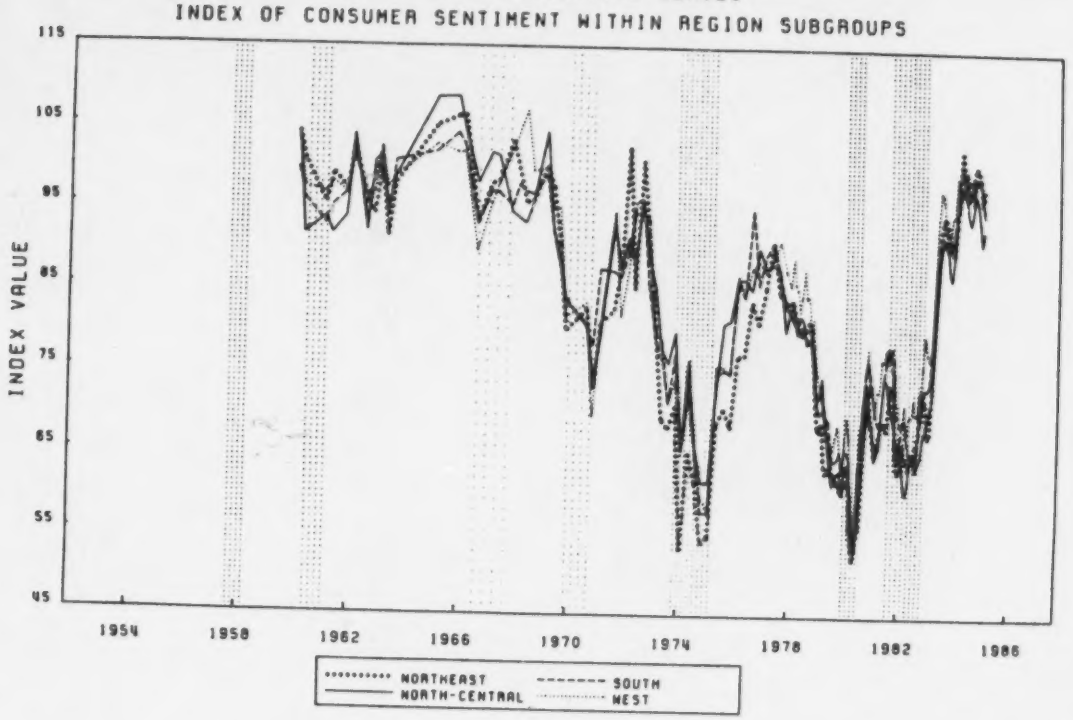


CHART 2B - HISTORICAL SERIES

INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

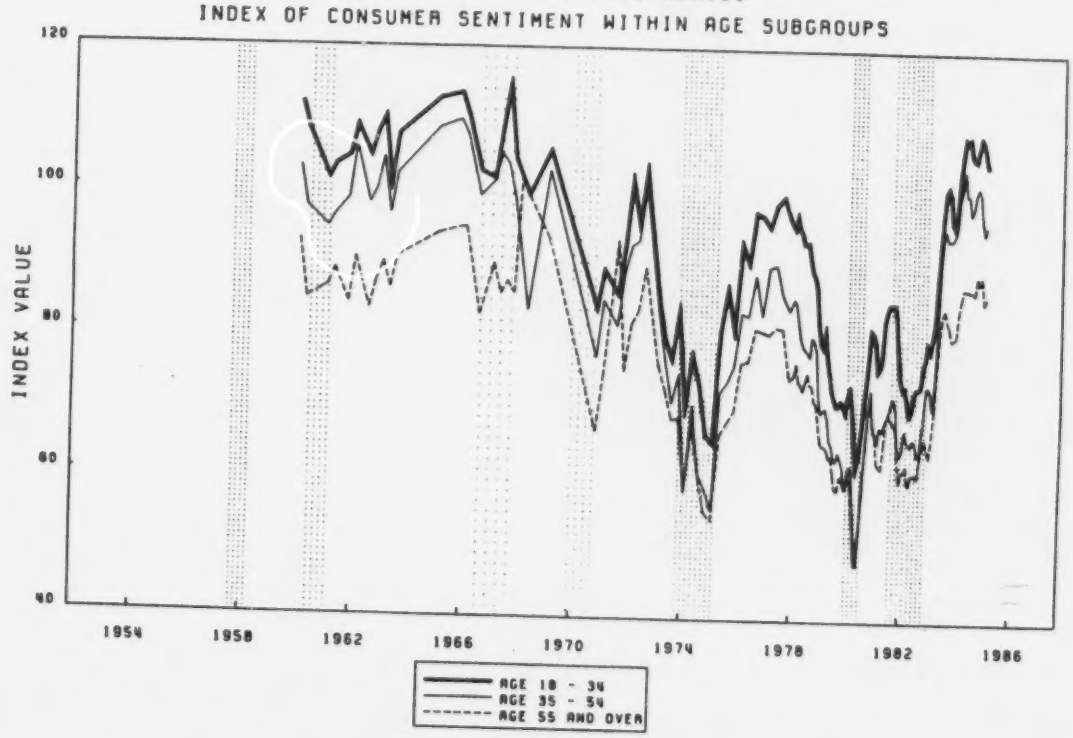


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY		CENSUS REGION				AGE OF RESPONDENT		
		North East	North Central	South	West	18-34	35-54	55+
January	1982	68.8	67.3	72.0	76.2	76.6	67.4	68.5
February	1982	65.9	60.6	71.8	68.8	71.5	68.3	59.0
March	1982	60.5	55.8	64.7	68.2	65.5	61.4	58.8
April	1982	67.2	64.6	65.0	65.8	70.6	65.5	60.4
May	1982	62.4	66.5	66.6	75.7	72.7	67.6	62.0
June	1982	65.4	65.0	64.9	68.6	72.4	64.4	60.3
July	1982	65.1	64.0	63.5	71.1	73.4	63.3	60.6
August	1982	68.1	60.6	64.0	70.6	72.6	62.9	60.2
September	1982	70.3	67.2	71.1	68.8	73.0	66.7	68.0
October	1982	77.8	66.2	74.1	79.3	81.2	72.1	65.5
November	1982	70.6	67.9	73.2	79.3	76.6	75.7	63.8
December	1982	66.1	70.0	72.5	80.4	78.9	71.7	64.2
January	1983	64.9	70.5	73.6	72.8	78.8	70.0	62.0
February	1983	72.1	72.3	75.8	77.2	82.1	68.3	72.4
March	1983	82.9	73.7	82.7	84.4	84.9	81.5	75.5
April	1983	89.1	88.0	87.2	95.6	95.8	90.5	80.5
May	1983	88.3	90.7	93.3	102.7	97.2	97.1	84.9
June	1983	95.1	88.7	92.5	94.1	97.8	94.4	83.9
July	1983	98.3	93.8	89.9	94.3	106.0	93.6	83.0
August	1983	89.6	92.0	91.3	89.6	99.2	92.9	80.0
September	1983	92.6	87.8	89.3	90.8	94.8	94.5	80.9
October	1983	89.9	83.7	91.5	93.5	94.2	93.8	77.8
November	1983	87.7	88.3	91.5	98.5	97.2	94.6	80.7
December	1983	91.4	96.2	95.2	92.2	102.3	97.5	81.8
January	1984	100.7	96.8	97.5	107.5	107.9	106.0	87.4
February	1984	102.3	98.4	93.5	97.1	106.2	98.9	86.5
March	1984	104.8	98.5	102.1	97.5	109.9	105.2	86.6
April	1984	92.5	95.3	98.2	99.3	106.5	95.9	87.0
May	1984	98.8	96.3	96.5	103.9	107.5	98.8	86.6
June	1984	100.1	92.1	95.0	93.7	103.0	97.1	85.9
July	1984	94.3	92.5	100.5	99.3	104.9	98.2	87.1
August	1984	103.1	100.2	97.5	95.4	106.8	105.3	85.2
September	1984	105.0	99.3	99.7	99.9	108.5	99.9	93.3
October	1984	92.5	89.4	100.9	101.7	108.9	95.5	84.2
November	1984	100.3	93.3	95.6	94.1	105.5	94.0	88.1
December	1984	94.8	90.3	93.4	94.0	102.9	94.1	82.2
January	1985	98.2	94.5	94.6	97.8	104.2	99.0	86.6

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

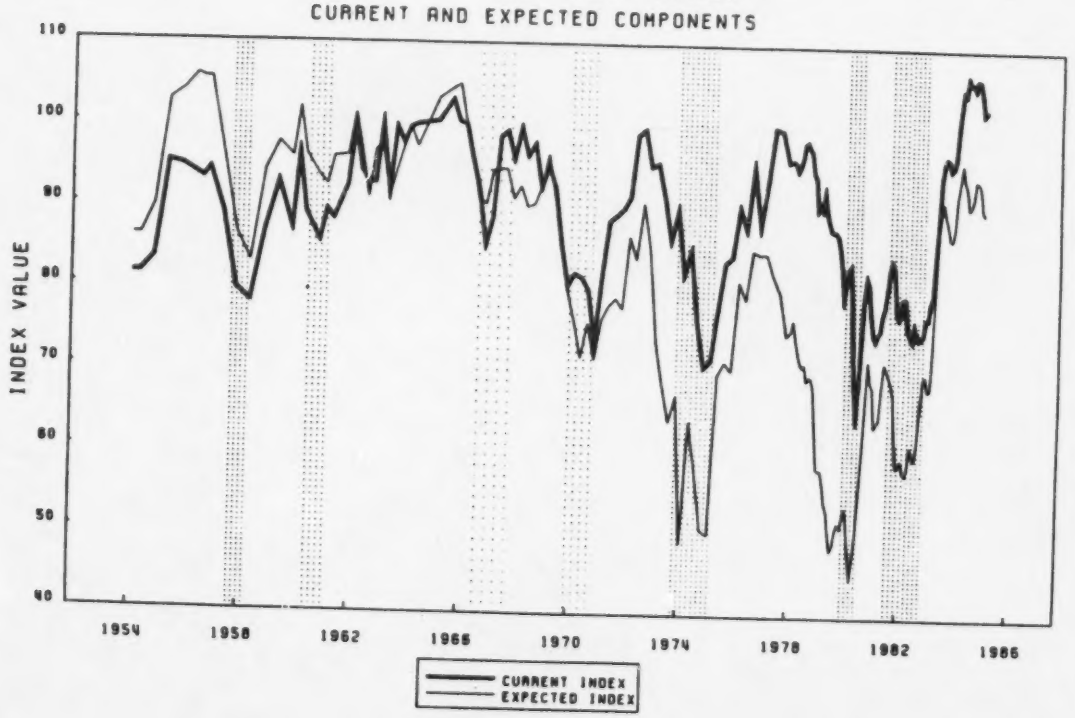


TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	INDEX COMPONENTS +						
	Personal finances		Business conditions				
	Current (1)	Expected (2)	12 months (3)	5 years (4)	Buying conds. (5)	Current Index (1,5)	Expected Index (2,3,4)
January 1982	92	115	66	70	124	83.5	62.9
February 1982	91	112	56	65	111	78.6	58.7
March 1982	89	106	44	60	106	75.9	53.1
April 1982	87	111	62	70	99	72.3	61.1
May 1982	94	113	62	72	102	76.1	62.0
June 1982	92	116	58	65	99	74.3	60.1
July 1982	90	113	53	63	110	77.5	57.6
August 1982	89	110	64	69	97	72.5	60.9
September 1982	89	116	76	74	98	72.9	66.9
October 1982	95	119	79	83	106	78.1	70.4
November 1982	85	121	77	86	105	73.8	71.0
December 1982	90	117	74	80	111	78.1	67.9
January 1983	91	115	76	69	111	78.4	65.2
February 1983	89	117	87	81	117	79.9	71.2
March 1983	92	126	113	85	115	80.5	80.9
April 1983	108	131	120	99	131	92.7	86.9
May 1983	101	137	139	100	139	93.1	93.4
June 1983	110	128	134	97	141	96.9	89.2
July 1983	111	126	136	104	143	98.1	91.1
August 1983	106	124	130	100	140	95.1	88.2
September 1983	109	125	125	95	140	96.4	85.8
October 1983	104	124	124	98	140	94.3	86.1
November 1983	111	127	129	98	138	96.1	87.9
December 1983	123	125	140	102	134	99.3	91.0
January 1984	117	129	154	108	155	104.9	97.0
February 1984	119	130	139	106	151	103.9	93.2
March 1984	122	135	146	113	153	106.0	97.7
April 1984	117	124	136	106	153	103.9	91.1
May 1984	121	129	131	105	164	109.8	90.6
June 1984	126	124	131	106	145	104.4	89.8
July 1984	117	124	133	113	152	103.9	91.9
August 1984	125	129	137	111	153	107.5	93.7
September 1984	125	131	142	116	154	107.8	96.4
October 1984	118	127	134	107	150	103.6	91.6
November 1984	121	129	132	107	144	102.4	91.5
December 1984	118	125	131	98	143	100.6	87.9
January 1985	119	124	135	104	153	104.9	90.3

(1) See Table 4.
(2) See Table 6.
(3) See Table 18.
(4) See Table 19.
(5) See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

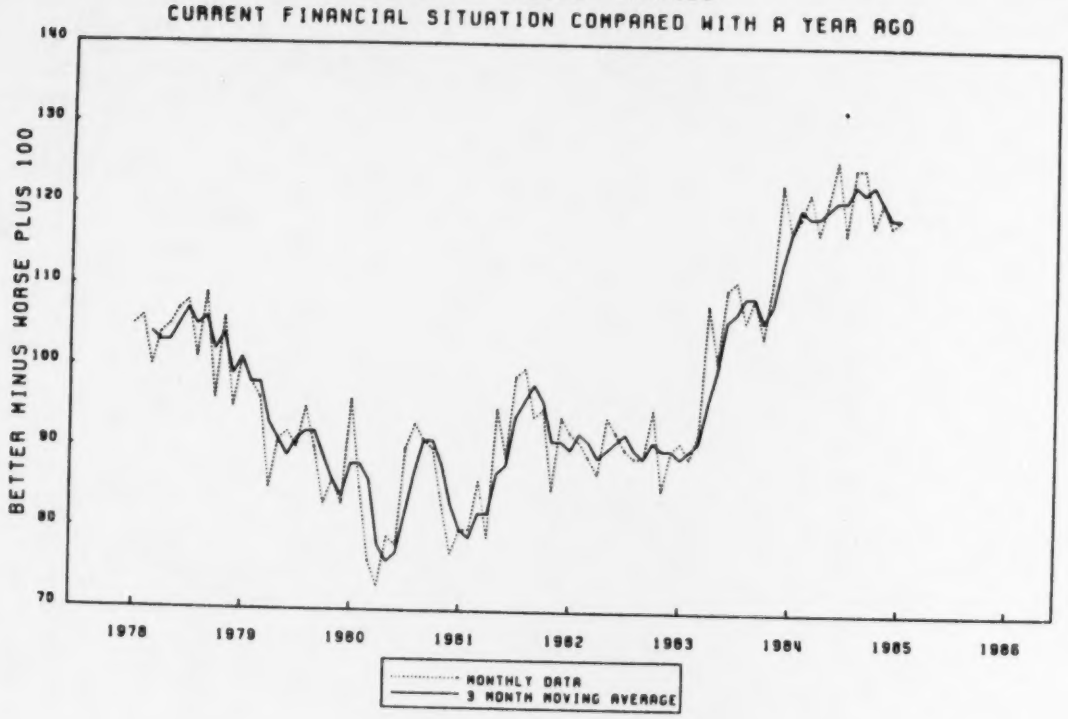


CHART 4 - HISTORICAL SERIES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

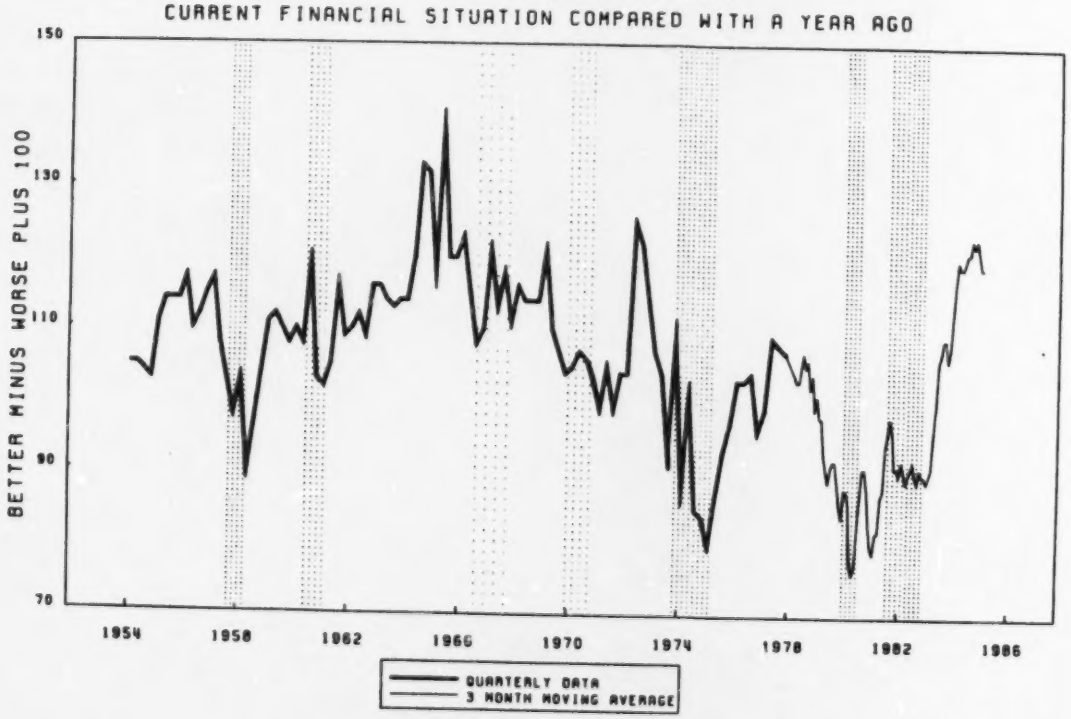


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Jan. 1984	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
BETTER OFF	42%	44%	48%	43%	44%	47%	42%	48%	45%	44%	46%	44%	42%
SAME	32	31	26	30	33	31	33	29	35	30	29	30	35
WORSE OFF	25	25	26	26	23	21	25	23	20	26	25	26	23
DK, NA	1	*	*	1	*	1	*	*	*	*	*	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	681	687	700	705	690	680	656	693	690	706	710	704	640

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES

REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

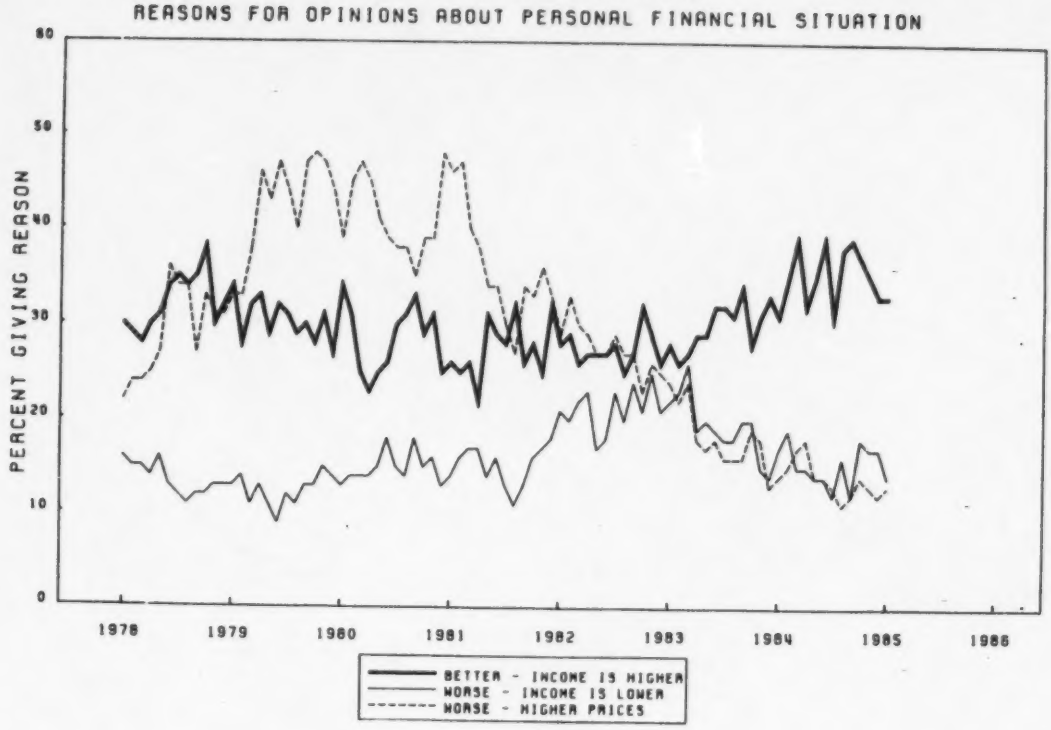


CHART 5 - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

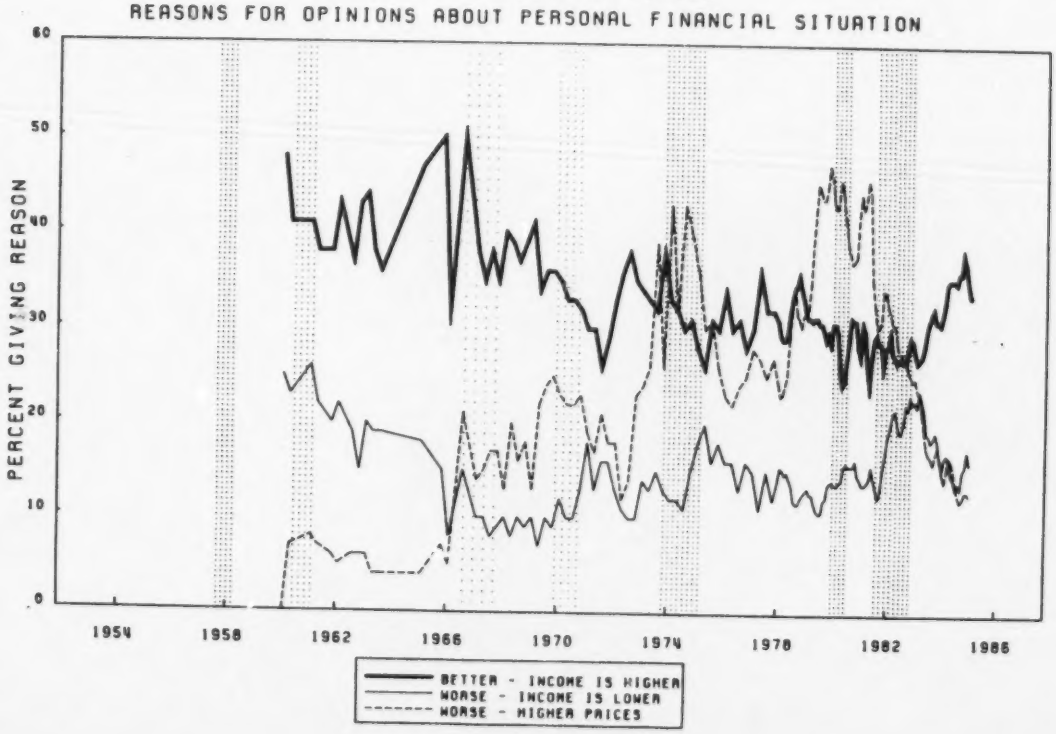


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Jan. 1984	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
BETTER OFF THAN YEAR AGO:													
Income is higher	31%	35%	39%	32%	35%	39%	31%	38%	39%	37%	35%	33%	33%
WORSE OFF THAN YEAR AGO:													
Income is lower	17	19	15	15	14	14	12	16	12	18	17	17	14
Higher prices	14	15	17	18	14	14	13	11	12	14	13	12	13

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

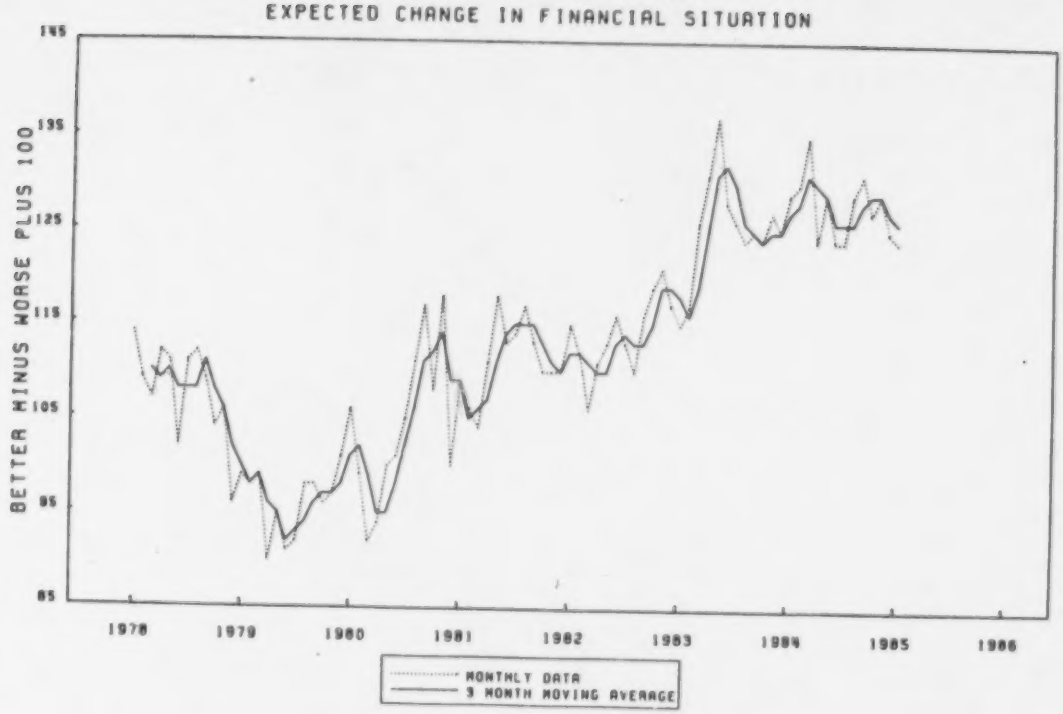


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

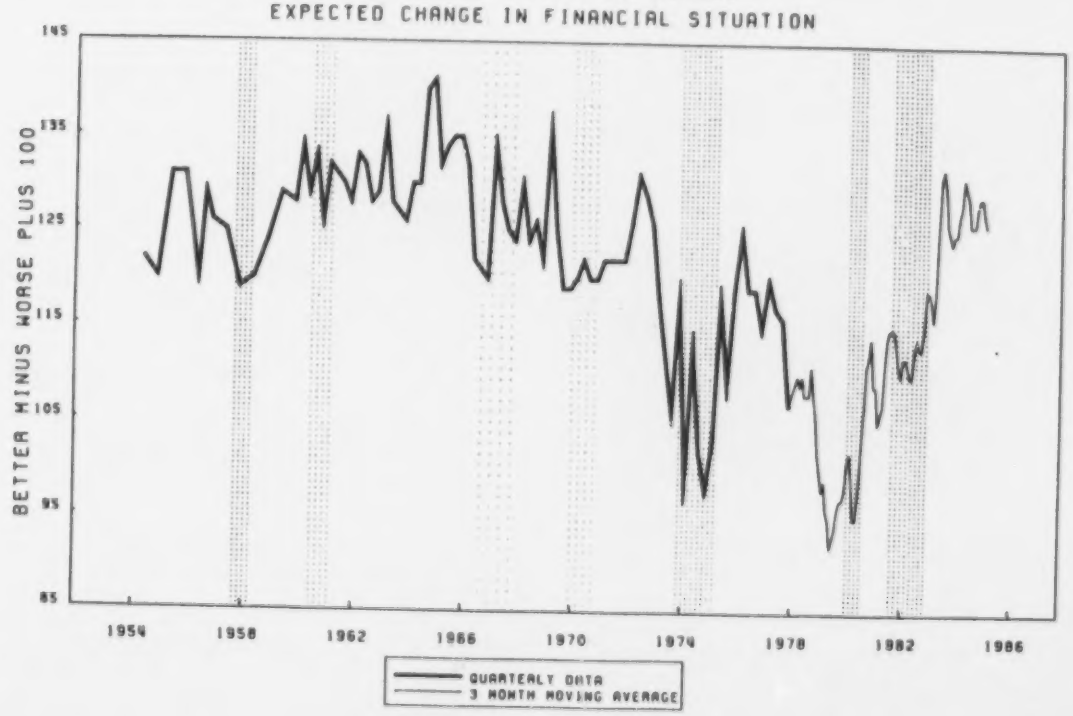


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Jan. 1984	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
BETTER OFF	38%	41%	44%	37%	40%	35%	34%	38%	39%	38%	39%	36%	35%
SAME	50	44	44	48	47	52	51	49	49	47	48	50	52
WORSE OFF	9	11	9	13	11	11	10	9	8	11	10	11	11
DK,NA	3	4	3	2	2	2	5	4	4	4	3	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	681	687	700	705	690	680	656	693	690	706	710	704	640

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

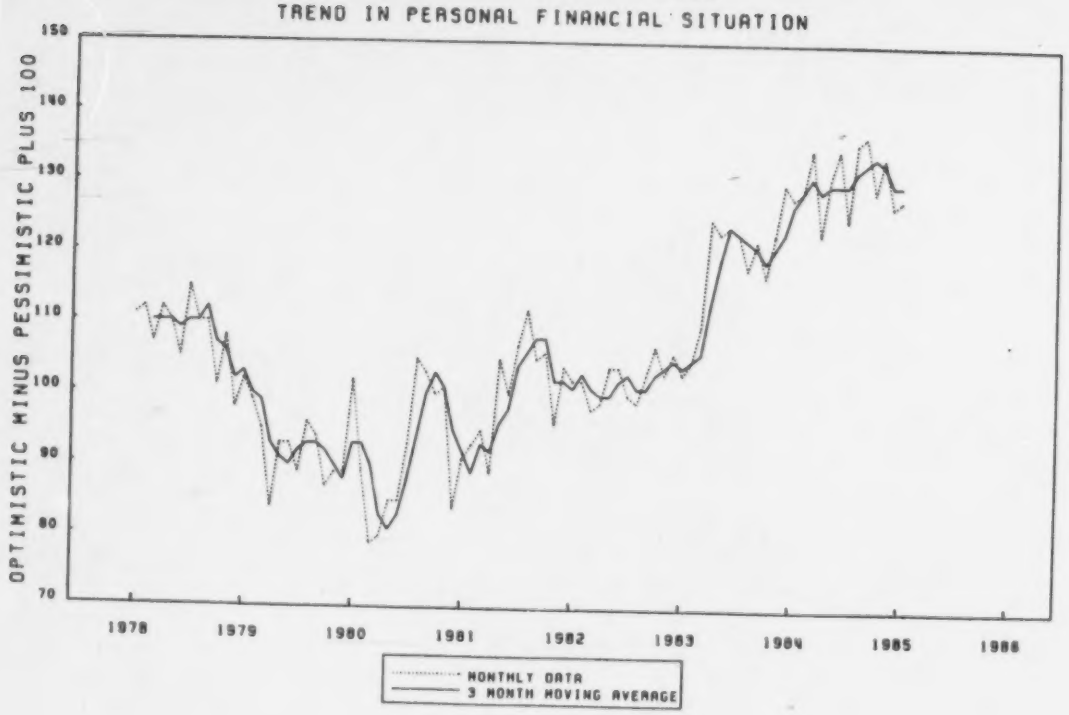


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

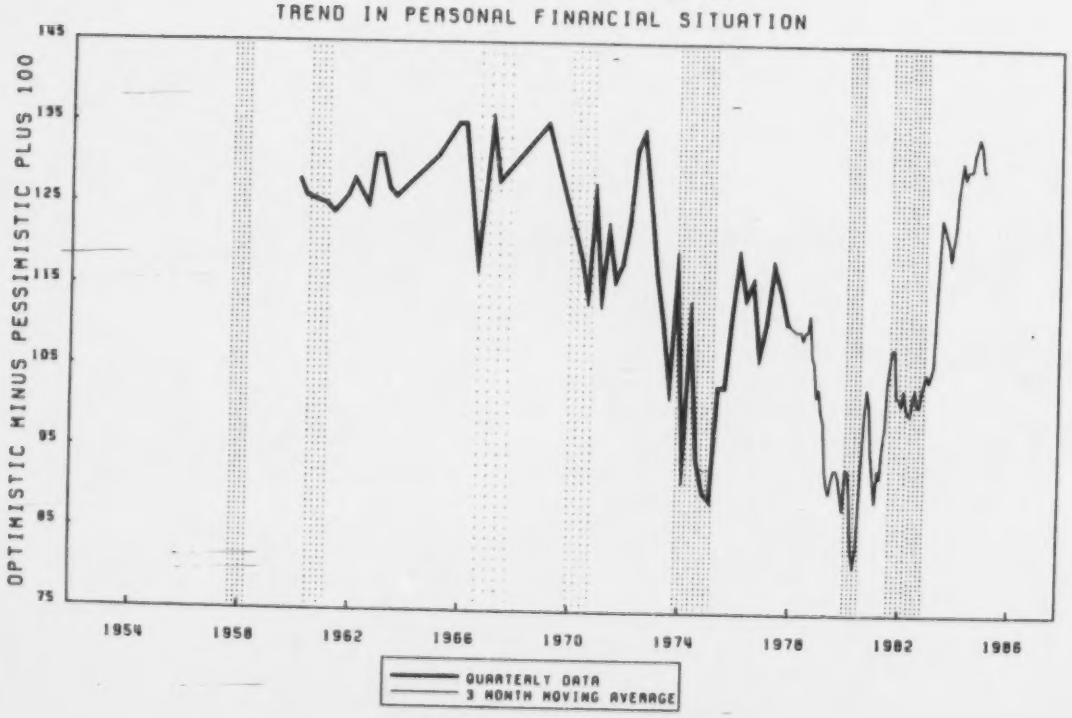


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Jan. 1984	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	22%	24%	27%	23%	23%	20%	22%	24%	25%	21%	21%	23%	19%
Intermittent increase (b)	26	25	27	22	24	32	24	30	28	28	32	25	28
Remain unchanged (c)	18	17	14	19	21	19	21	17	20	17	15	19	22
Intermittent decline (d)	16	16	14	16	12	12	16	13	12	15	14	15	15
Continuous decline (e)	4	4	5	6	4	5	5	5	4	5	5	6	4
Mixed change (f)	10	10	10	11	14	10	7	8	7	10	10	9	9
DK,NA	4	4	3	3	2	2	5	3	4	4	3	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	681	687	700	705	690	680	656	693	690	706	710	704	640

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES

MEDIAN EXPECTED CHANGE IN FAMILY INCOME

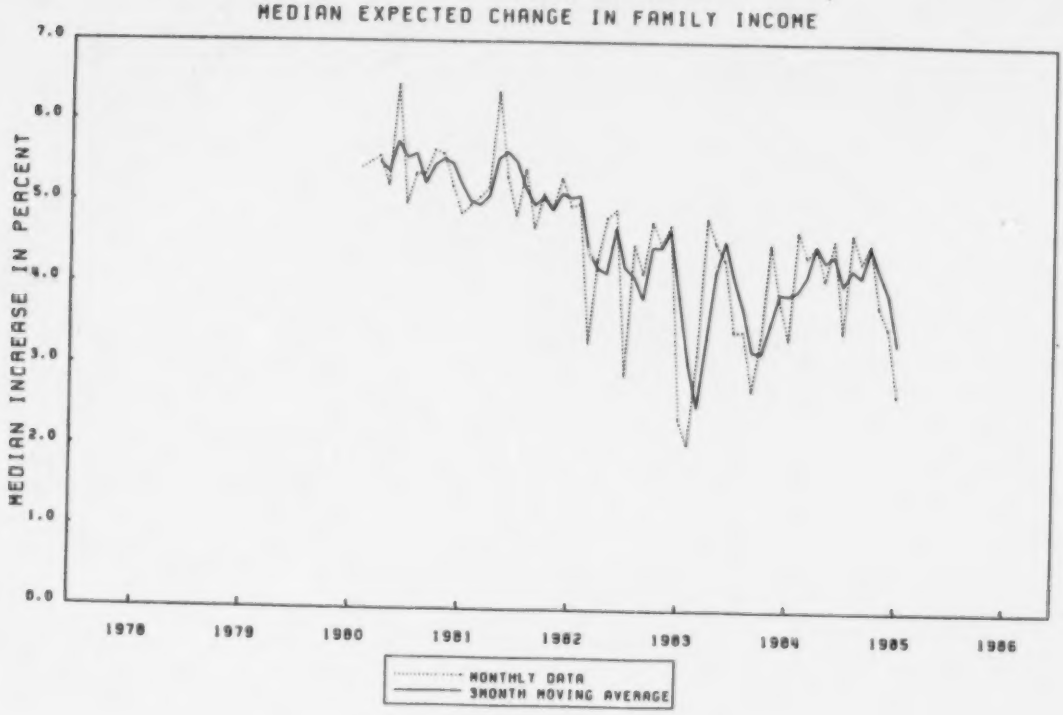


CHART 8 - HISTORICAL SERIES

MEDIAN EXPECTED CHANGE IN FAMILY INCOME

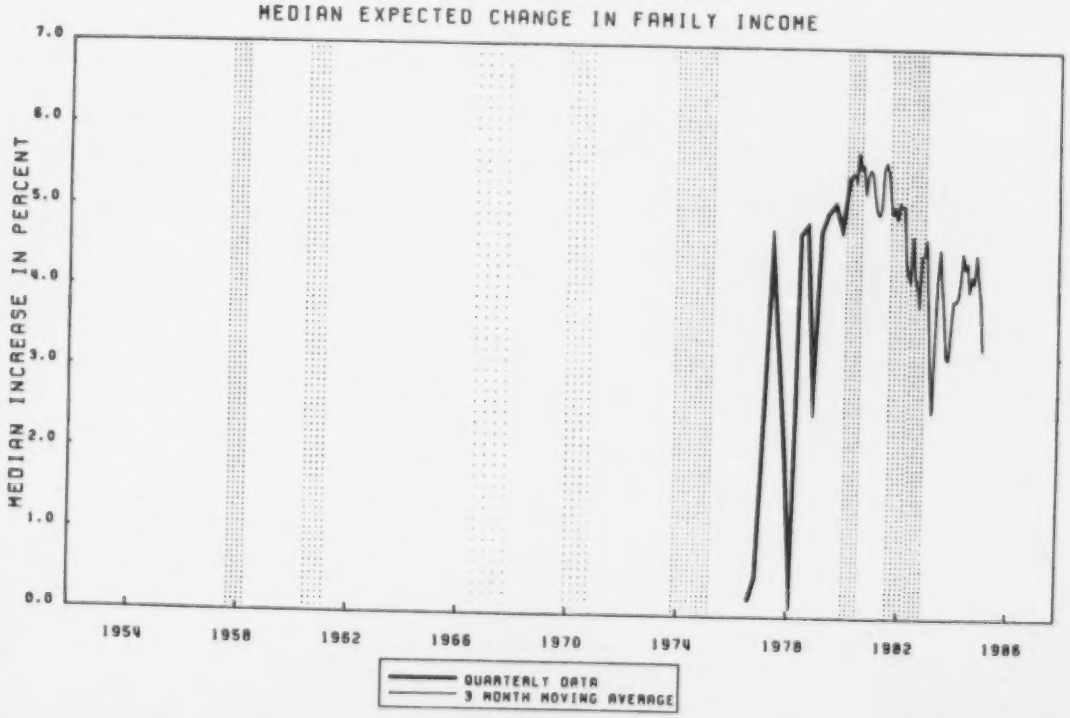


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Jan. 1984	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
EXPECT INCREASE:													
1-4%	15%	13%	14%	11%	11%	12%	17%	13%	15%	10%	13%	12%	12%
5%	11	13	9	11	9	11	12	11	10	10	9	10	9
6-9%	8	10	8	8	7	12	8	11	10	8	7	8	9
10-24%	16	19	18	18	21	17	17	18	18	20	19	17	17
25% or more	7	6	11	8	8	7	6	7	7	8	8	7	6
DK how much up	4	4	6	5	6	3	4	3	4	5	6	7	3
EXPECT SAME	27	22	26	22	26	24	23	24	23	25	23	23	27
EXPECT DOWN	10	11	7	15	11	11	11	11	11	12	13	15	16
DK,NA	2	2	1	2	1	3	2	2	2	2	2	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	681	687	700	705	690	680	656	693	690	706	710	704	640

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

CHART 9 - RECENT CHANGES

INCOME OR PRICES UP MORE DURING THE LAST YEAR

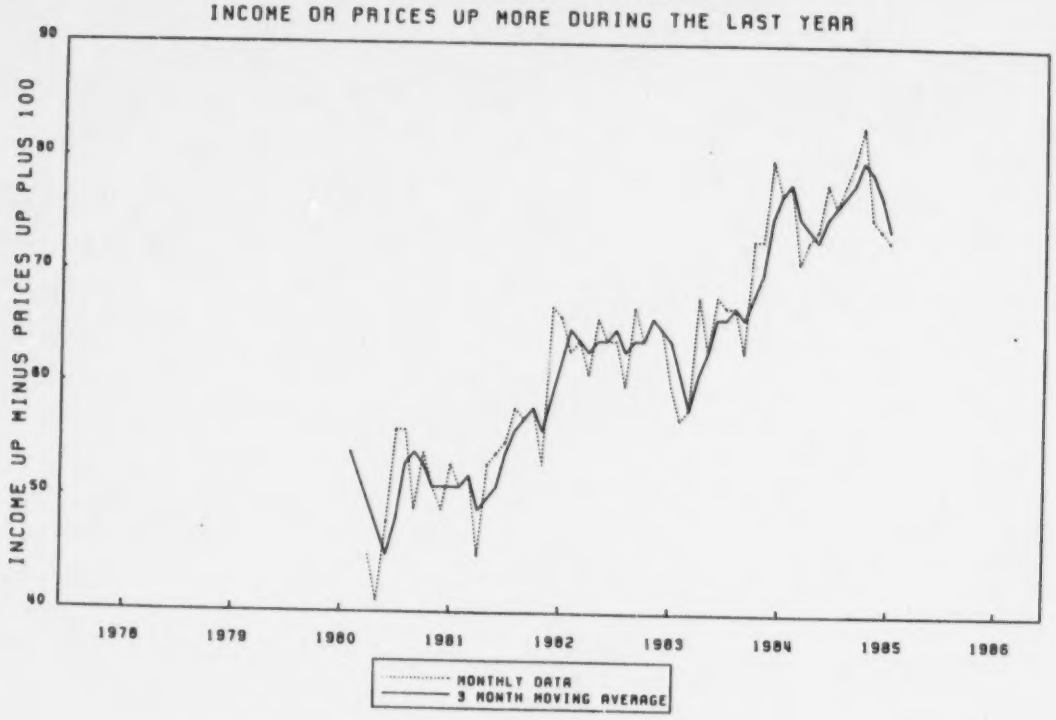


CHART 9 - HISTORICAL SERIES

INCOME OR PRICES UP MORE DURING THE LAST YEAR

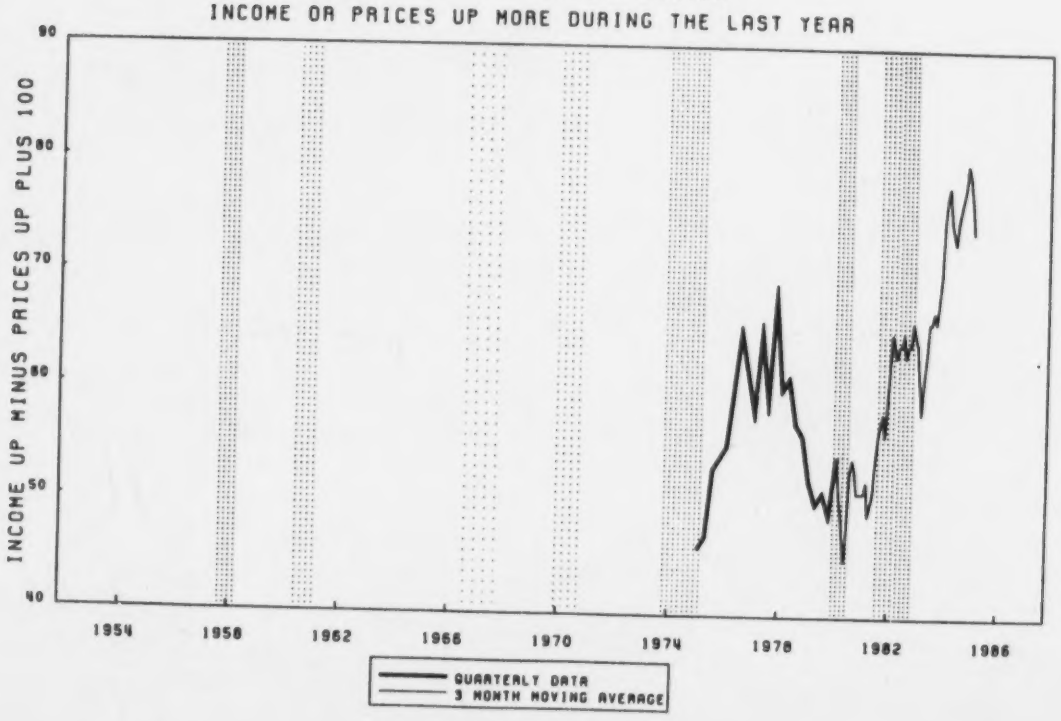


TABLE 9

PAST CHANGE IN REAL FAMILY INCOME

	Jan. 1984	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
INCOME UP MORE	23%	22%	20%	20%	20%	21%	21%	21%	22%	25%	21%	19%	16%
INCOME UP SAME	29	32	30	32	33	34	33	34	36	31	31	35	40
PRICES UP MORE	46	44	49	47	46	43	45	43	42	42	46	45	43
DK,NA	2	2	1	1	1	2	1	2	*	2	2	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	681	687	700	705	690	680	656	693	690	706	710	704	640

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

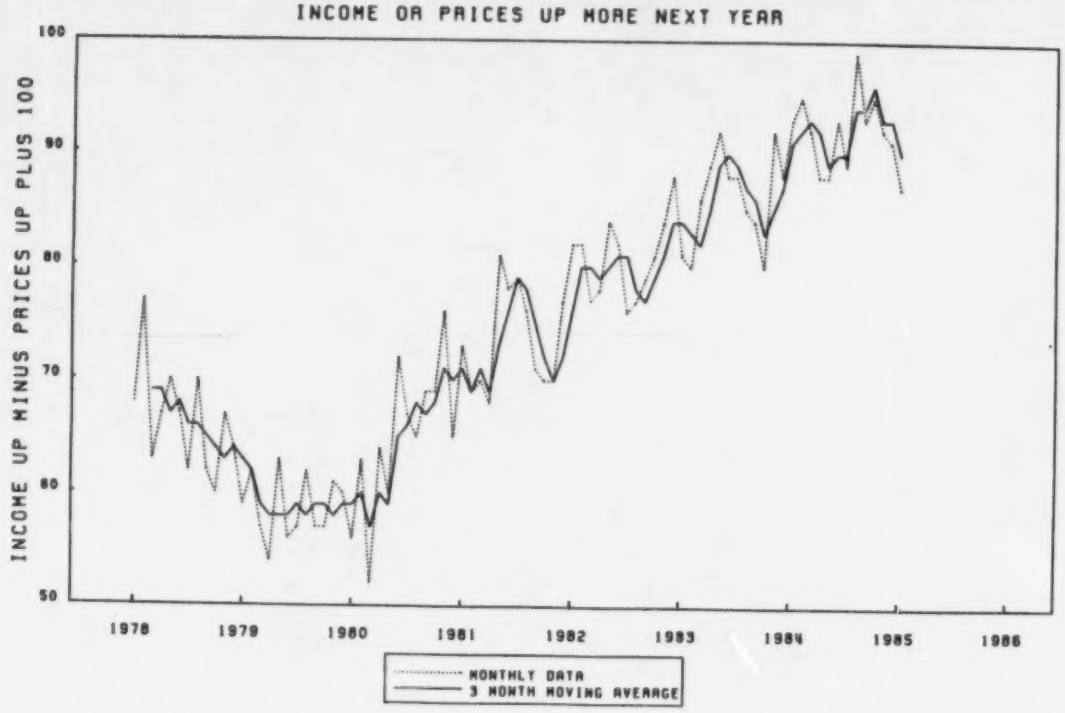


CHART 10 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

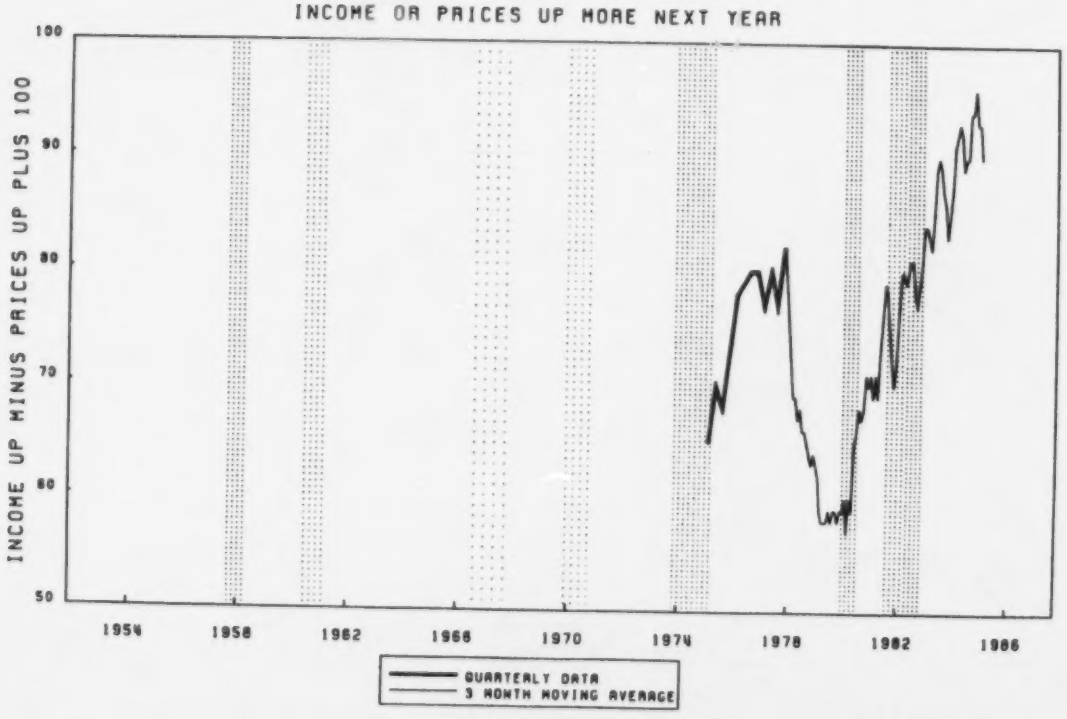


TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

	Jan. 1984	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
INCOME UP MORE	23%	24%	23%	21%	22%	22%	22%	25%	23%	25%	23%	21%	20%
INCOME UP SAME	45	45	44	43	42	47	41	45	44	43	44	46	45
PRICES UP MORE	30	29	31	33	34	29	33	26	30	30	31	30	33
DK,NA	2	2	2	3	2	2	4	4	3	2	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	681	687	700	705	690	680	656	693	690	706	710	704	640

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES
TREND IN INCOME AND PRICE COMPARISON

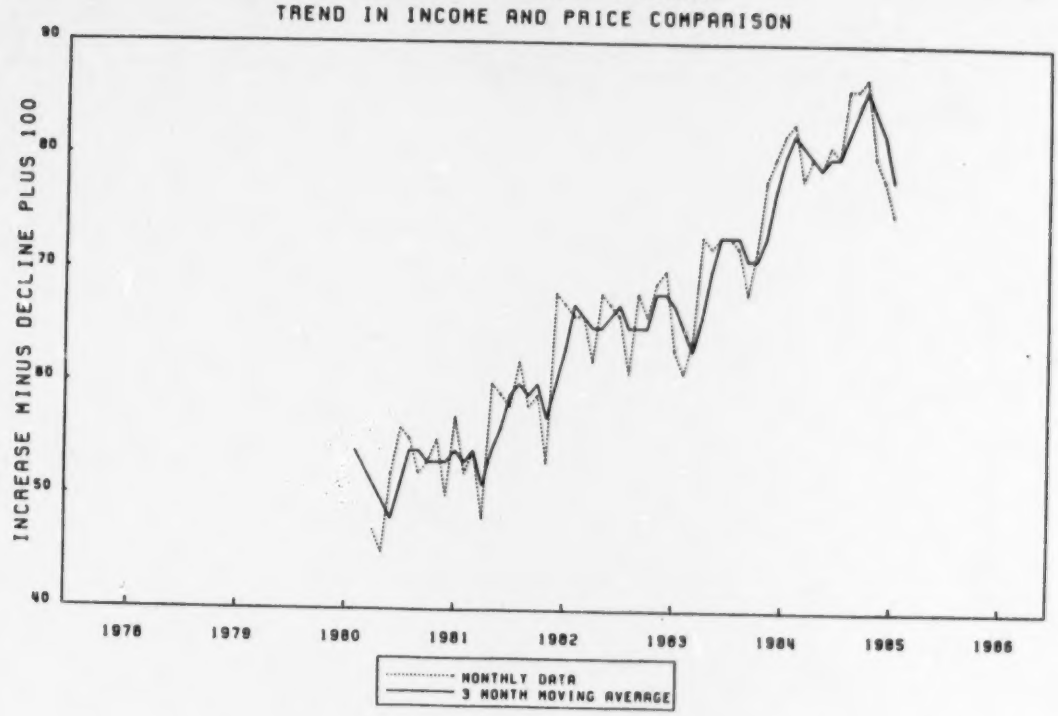


CHART 11 - HISTORICAL SERIES
TREND IN INCOME AND PRICE COMPARISON

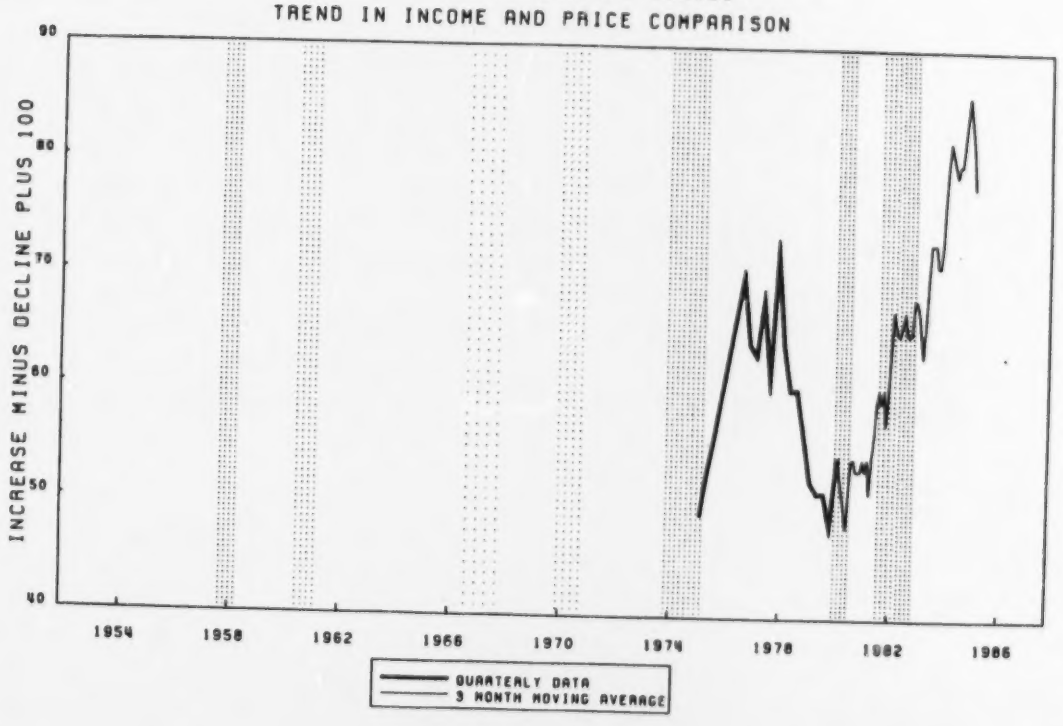


TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

	Jan. 1984	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
REAL INCOME PROGRESS:													
Continuous increase (a)	12%	13%	12%	10%	9%	11%	10%	12%	12%	14%	12%	10%	8%
Intermittent increase (b)	14	13	12	14	17	13	14	15	16	14	14	12	13
Remain unchanged (c)	19	20	20	21	17	22	20	21	22	20	19	23	24
Intermittent decline (d)	21	22	20	18	22	23	20	22	20	18	22	22	23
Continuous decline (e)	23	21	26	26	25	20	24	19	22	23	24	22	23
Mixed change (f)	8	6	8	7	7	8	8	6	5	7	6	8	6
DK,NA	3	5	2	4	3	3	4	5	3	4	3	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	681	687	700	705	690	680	656	693	690	706	710	704	640

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

CHART12 - RECENT CHANGES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

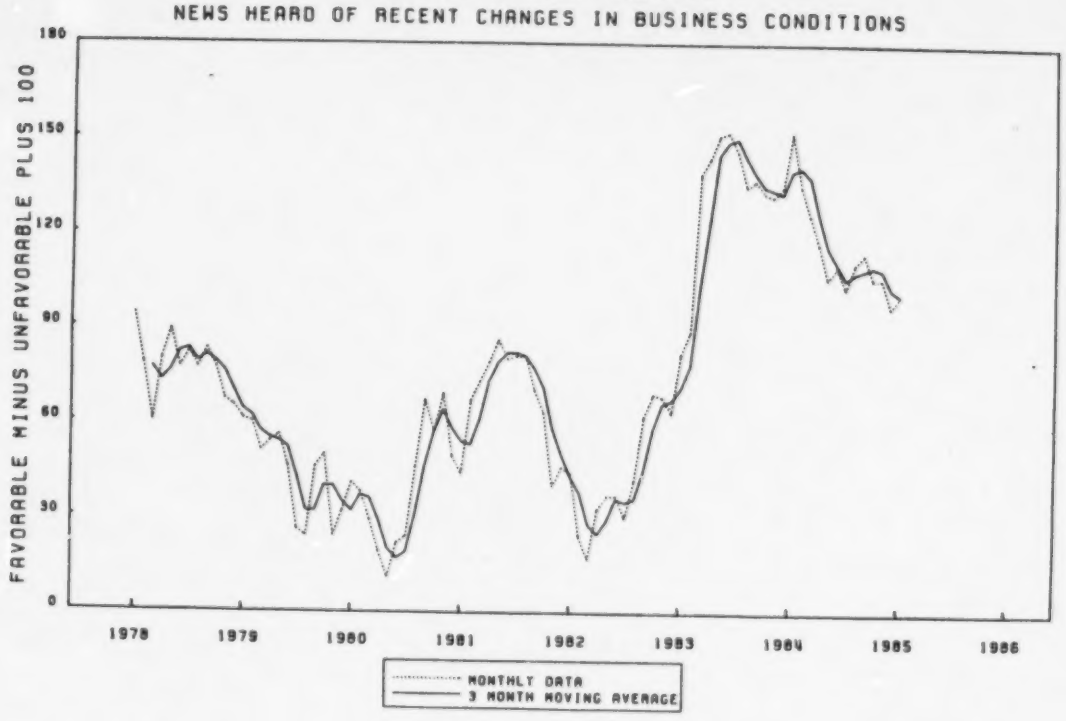


CHART12 - HISTORICAL SERIES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

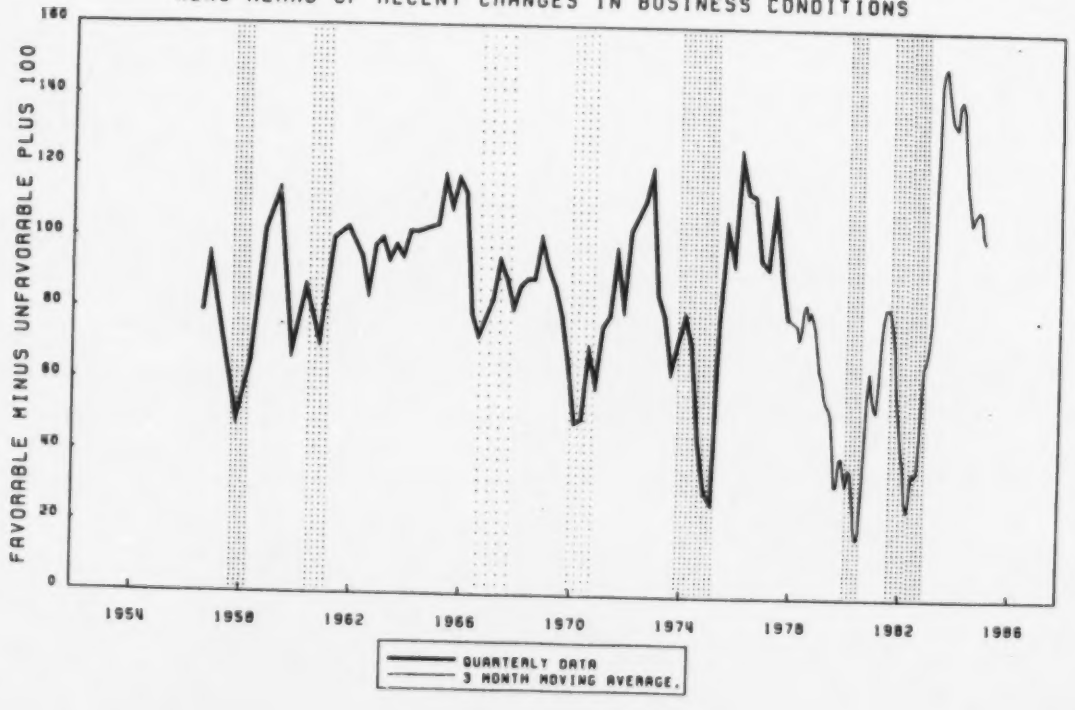


TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Jan. 1984	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
FAVORABLE NEWS	78%	66%	58%	49%	47%	50%	42%	51%	52%	44%	41%	39%	43%
UNFAVORABLE NEWS	26	31	32	32	41	40	39	40	38	38	35	42	42
NO MENTIONS	33	38	43	46	41	41	46	39	41	44	49	46	44

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 13A - HISTORICAL SERIES

TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

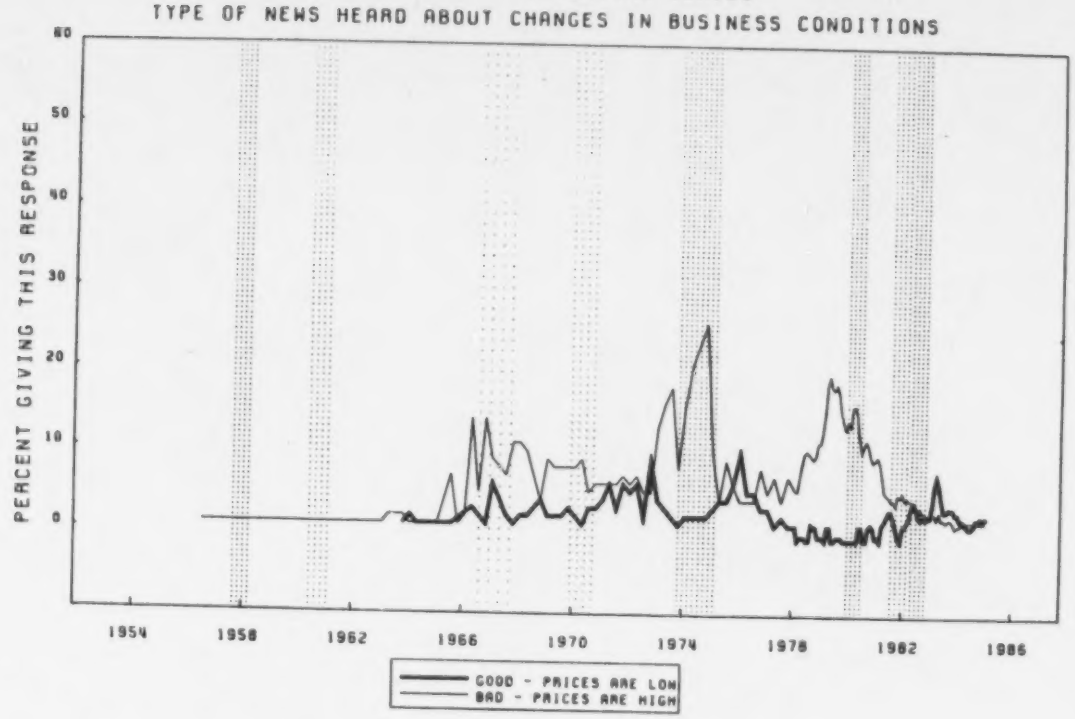


CHART 13B - HISTORICAL SERIES

TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

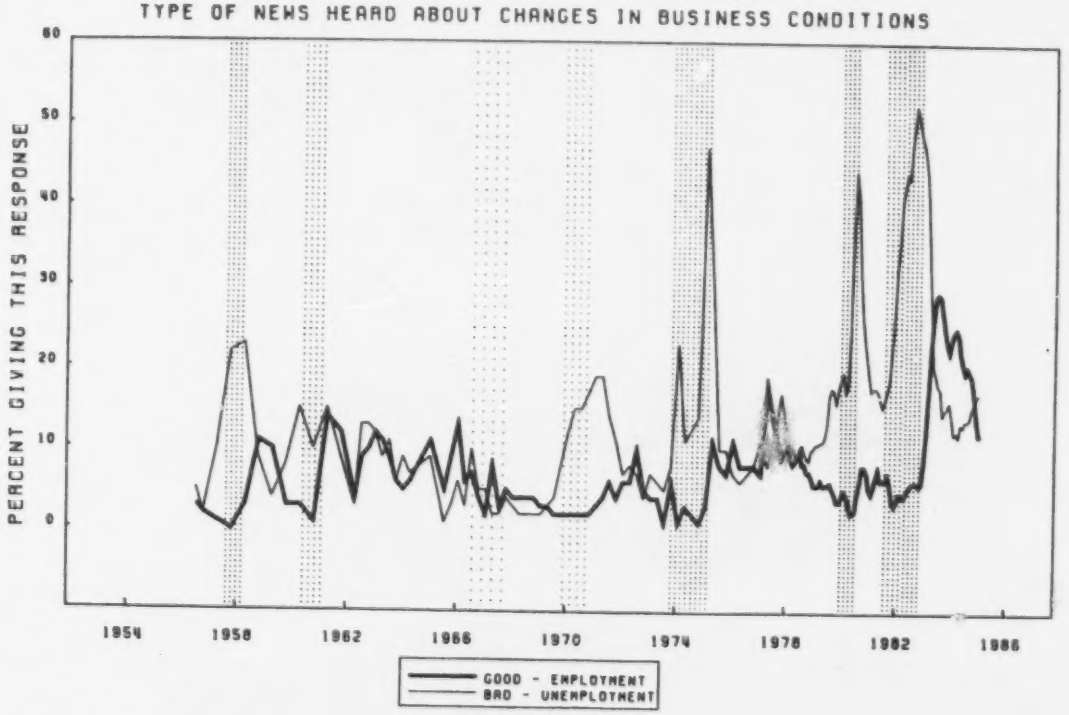


TABLE 13

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Jan. 1984	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
FAVORABLE NEWS:													
Government; elections	3%	2%	1%	1%	1%	2%	2%	2%	3%	1%	2%	3%	4%
Employment	27	25	25	23	18	21	20	20	19	18	13	11	12
Consumer demand high	18	15	10	8	10	8	4	7	7	5	4	5	5
Prices are low	3	1	2	1	1	1	1	2	3	1	3	2	2
Credit is easy	5	4	5	4	2	3	2	4	3	4	8	9	10
UNFAVORABLE NEWS:													
Government; elections	2	5	4	2	3	2	4	4	4	3	3	6	5
Unemployment	13	10	14	11	15	13	13	15	14	17	16	17	18
Consumer demand low	2	1	1	*	2	1	2	2	2	1	2	3	3
Prices are high	2	1	2	1	2	2	1	2	2	1	2	2	1
Credit is tight	1	2	3	9	10	12	13	9	6	5	3	2	2
Energy crisis	*	*	*	*	*	*	*	*	*	*	*	*	*

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

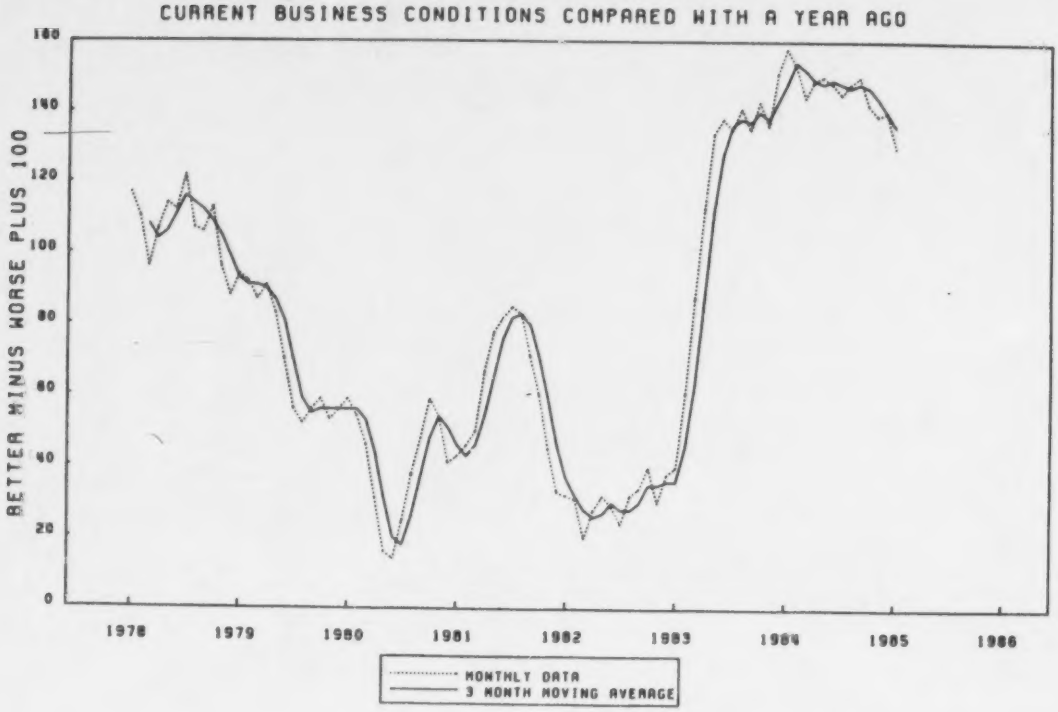


CHART 14 - HISTORICAL SERIES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

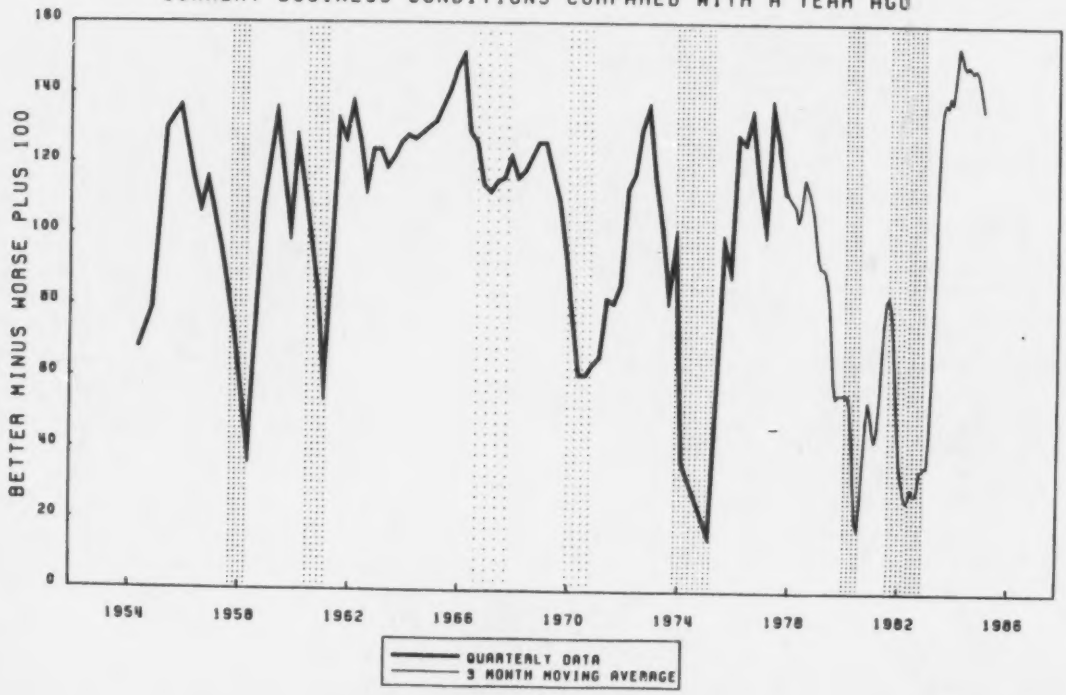


TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Jan. 1984	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
BETTER NOW	75%	72%	67%	68%	70%	67%	67%	68%	68%	65%	63%	63%	57%
SAME	6	8	9	11	9	12	9	11	12	10	12	13	14
WORSE NOW	17	19	23	19	20	19	22	20	18	23	24	23	27
DK,NA	2	1	1	2	1	2	2	1	2	2	1	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	681	687	700	705	690	680	656	693	690	706	710	704	640

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 15 - RECENT CHANGES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

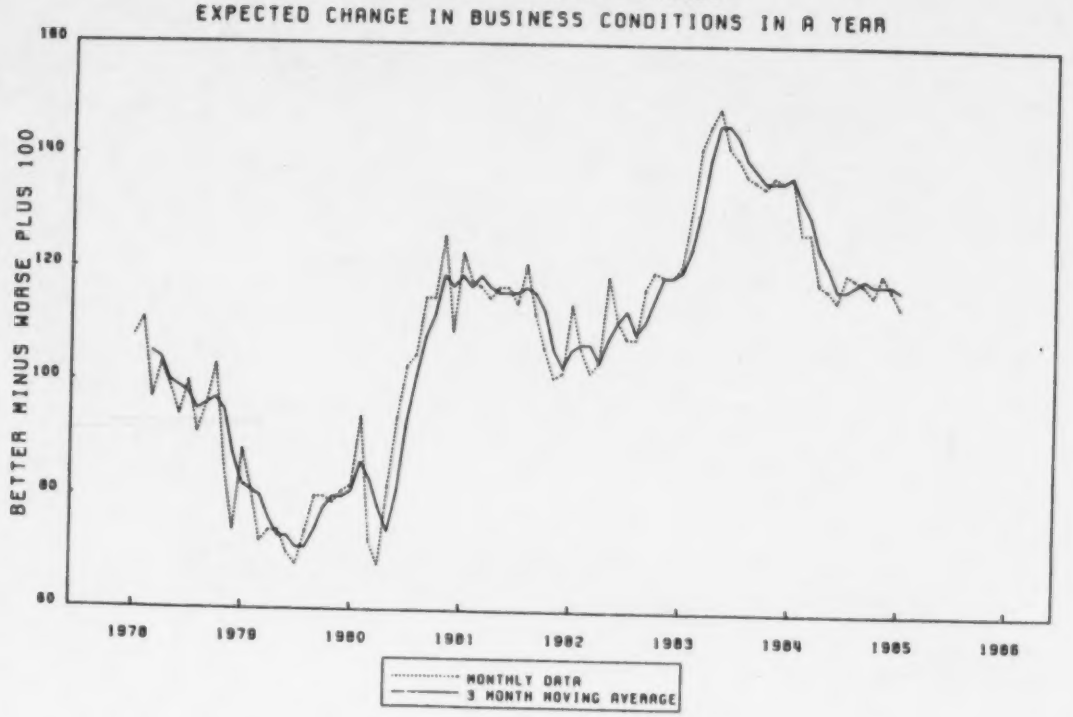


CHART 15 - HISTORICAL SERIES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

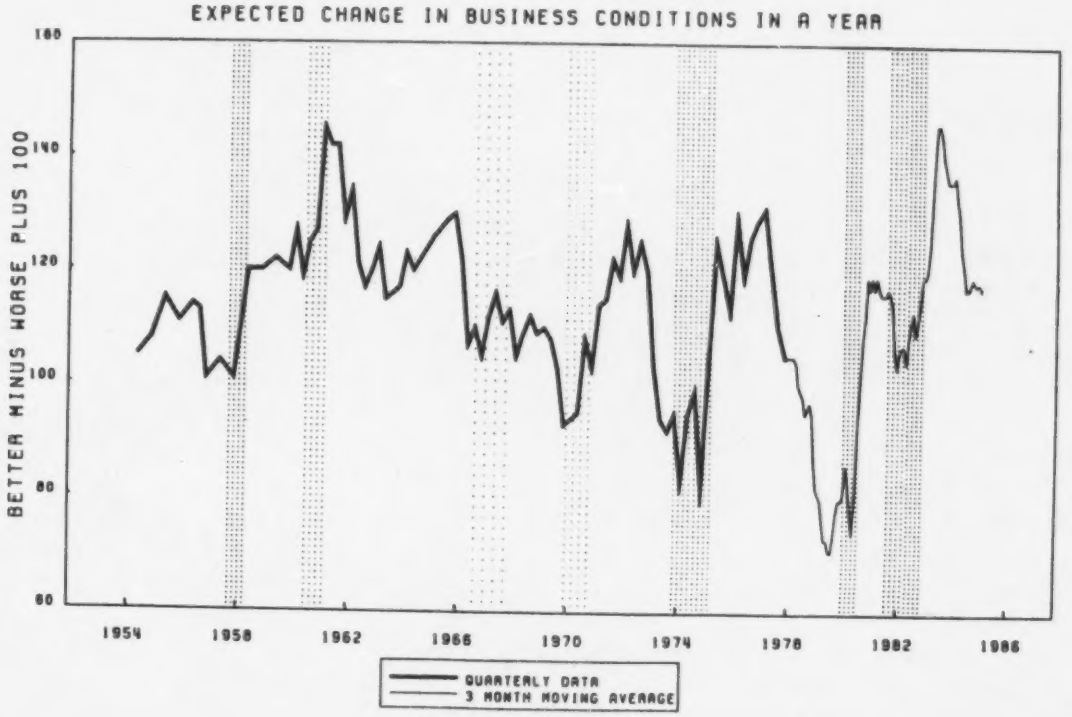


TABLE 15

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Jan. 1984	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
BETTER	46%	38%	38%	32%	31%	30%	32%	33%	33%	32%	35%	33%	29%
SAME	43	48	49	52	53	53	51	49	48	49	48	47	55
WORSE	9	11	11	14	14	15	12	14	15	16	15	16	15
DK,NA	2	3	2	2	2	2	5	4	4	3	2	4	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	681	687	700	705	690	680	656	693	690	706	710	704	640

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 16A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUSINESS CONDITIONS IN A YEAR

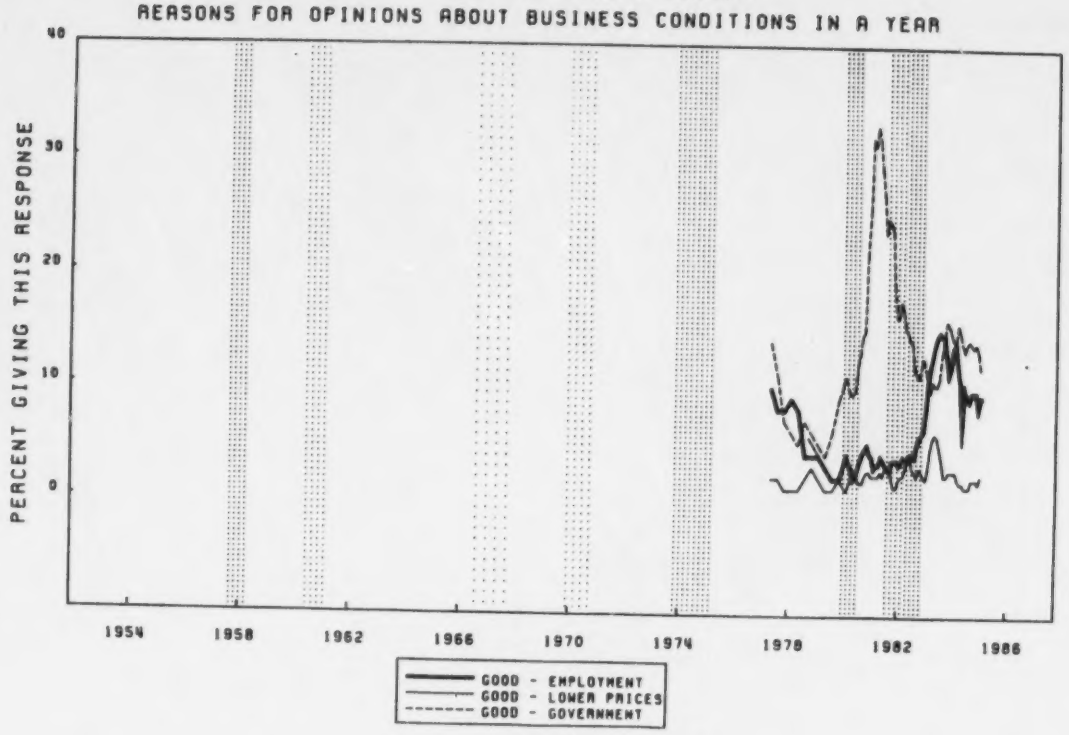


CHART 16B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUSINESS CONDITIONS IN A YEAR

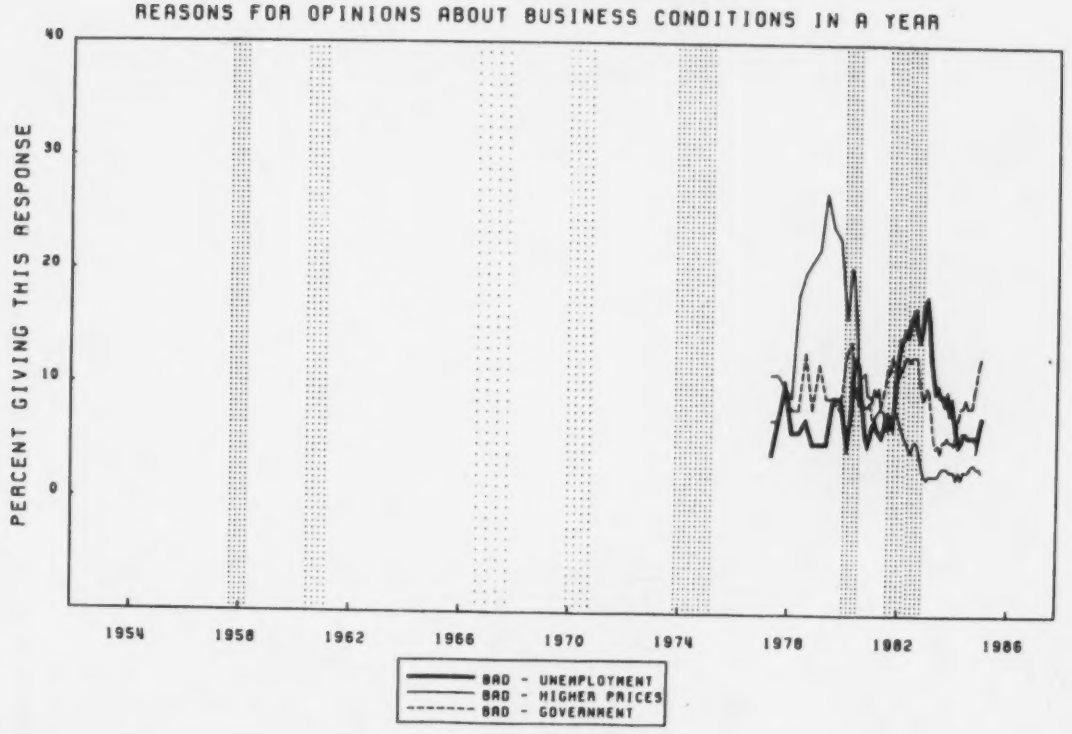


TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

	Jan. 1984	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
FAVORABLE REASONS:													
Government; elections	15%	15%	17%	13%	12%	15%	15%	13%	14%	14%	14%	12%	9%
Employment	15	11	10	11	9	10	9	8	12	9	8	8	12
Higher consumer demand	8	5	4	4	5	4	5	5	2	2	5	4	4
Lower prices	3	1	2	1	2	1	1	2	3	1	2	2	3
Easier credit	3	4	2	2	2	2	4	4	4	3	5	6	4
UNFAVORABLE REASONS:													
Government; elections	4	9	9	7	9	11	5	9	11	9	12	15	11
Unemployment	6	4	5	7	6	5	6	6	5	6	5	8	9
Lower consumer demand	2	1	1	2	2	2	2	3	2	2	3	4	2
Higher prices	3	1	3	2	3	2	3	4	3	3	3	3	2
Tighter credit	2	4	2	7	7	8	7	5	4	4	3	3	4
Energy crisis	*	*	*	*	*	*	*	*	*	*	*	*	*

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES

TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

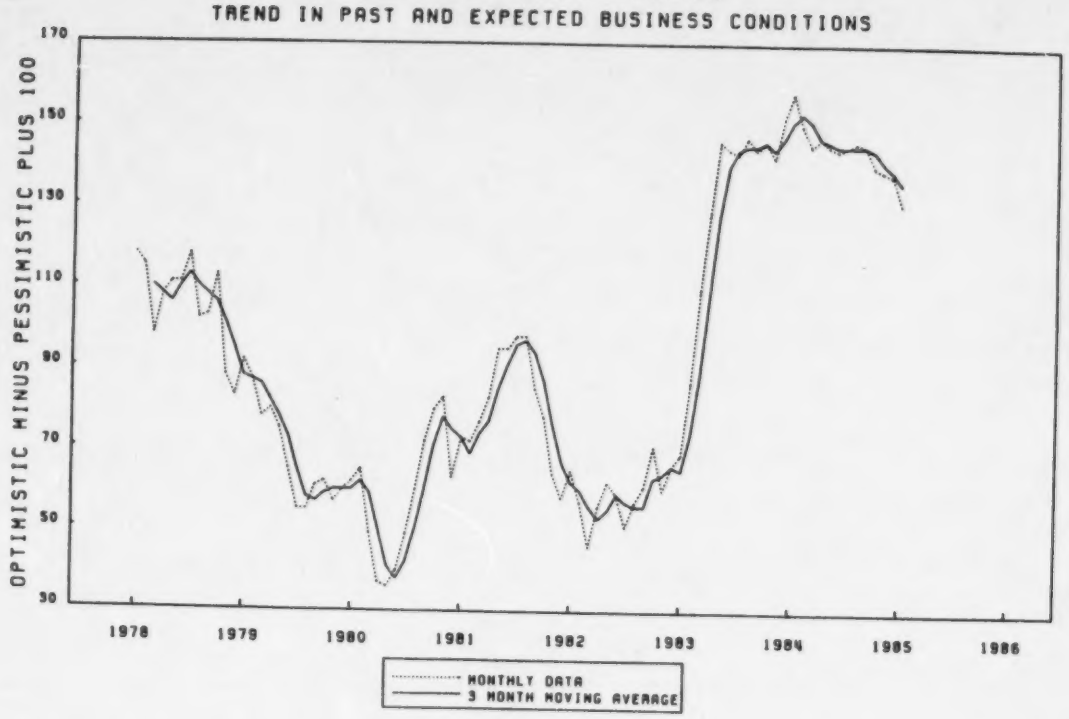


CHART 17 - HISTORICAL SERIES

TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

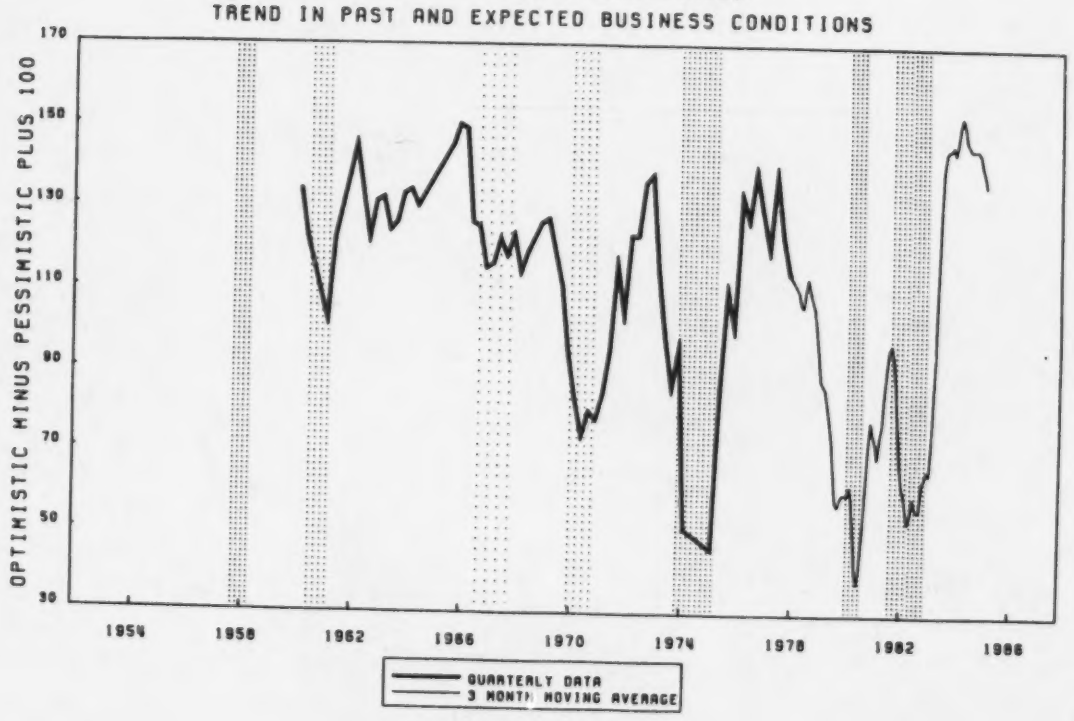


TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Jan. 1984	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
TREND:													
Continuous increase (a)	41%	32%	31%	25%	27%	25%	25%	25%	27%	24%	28%	27%	21%
Intermittent increase (b)	31	34	32	39	36	37	38	36	35	36	32	32	36
Remain unchanged (c)	4	5	6	7	7	7	4	6	6	5	6	7	8
Intermittent decline (d)	10	12	14	10	13	11	12	10	11	12	14	13	17
Continuous decline (e)	4	4	4	7	5	7	6	5	6	8	7	8	9
Mixed change (f)	7	10	10	9	10	9	9	12	10	10	9	9	7
DK,NA	3	3	3	3	2	4	6	6	5	5	4	4	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	681	687	700	705	690	680	656	693	690	706	710	704	640

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

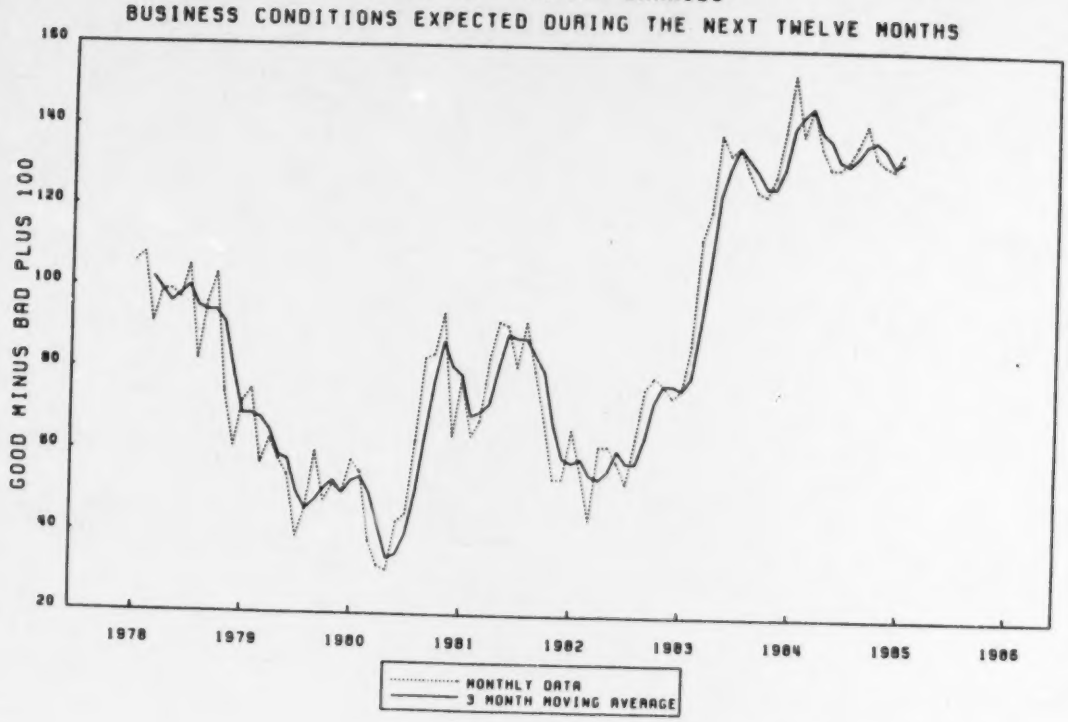


CHART 18 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

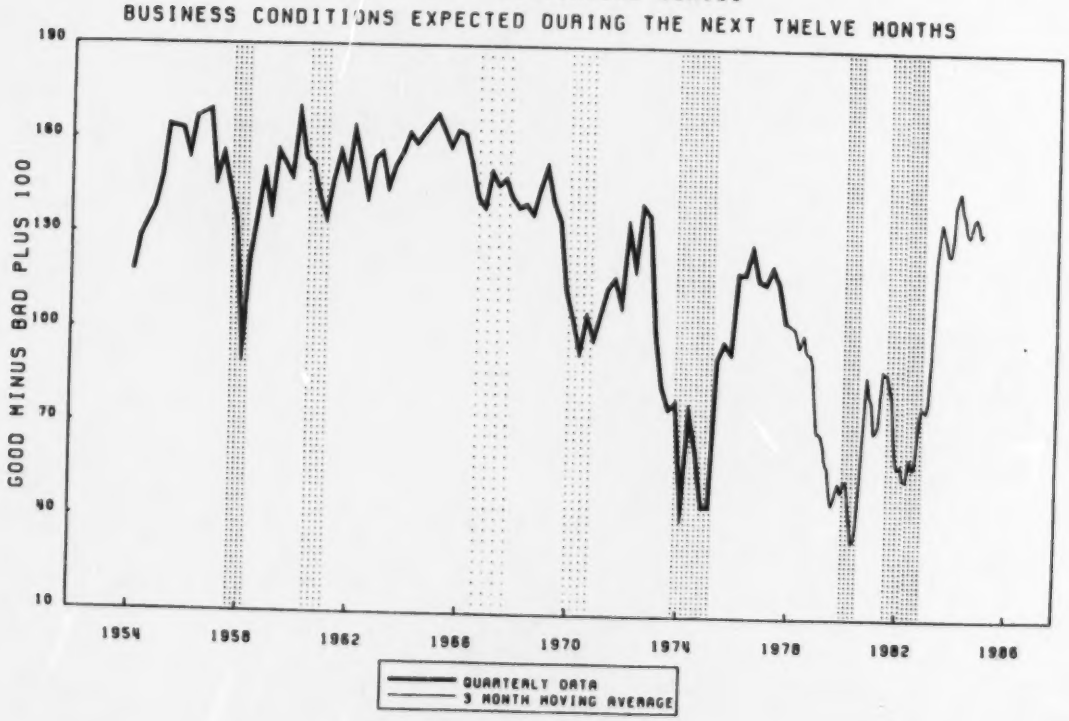


TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Jan. 1984	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
GOOD TIMES	73%	65%	69%	63%	60%	60%	61%	62%	66%	60%	59%	59%	63%
UNCERTAIN; GOOD & BAD	2	2	2	3	3	2	2	3	3	4	3	3	4
BAD TIMES	19	26	23	27	29	29	28	25	24	26	27	28	28
DON'T KNOW	5	5	4	5	5	6	6	7	6	6	7	7	4
NOT ASCERTAINED	1	2	2	2	3	3	3	3	1	4	4	3	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	681	687	700	705	690	680	656	693	690	706	710	704	640

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

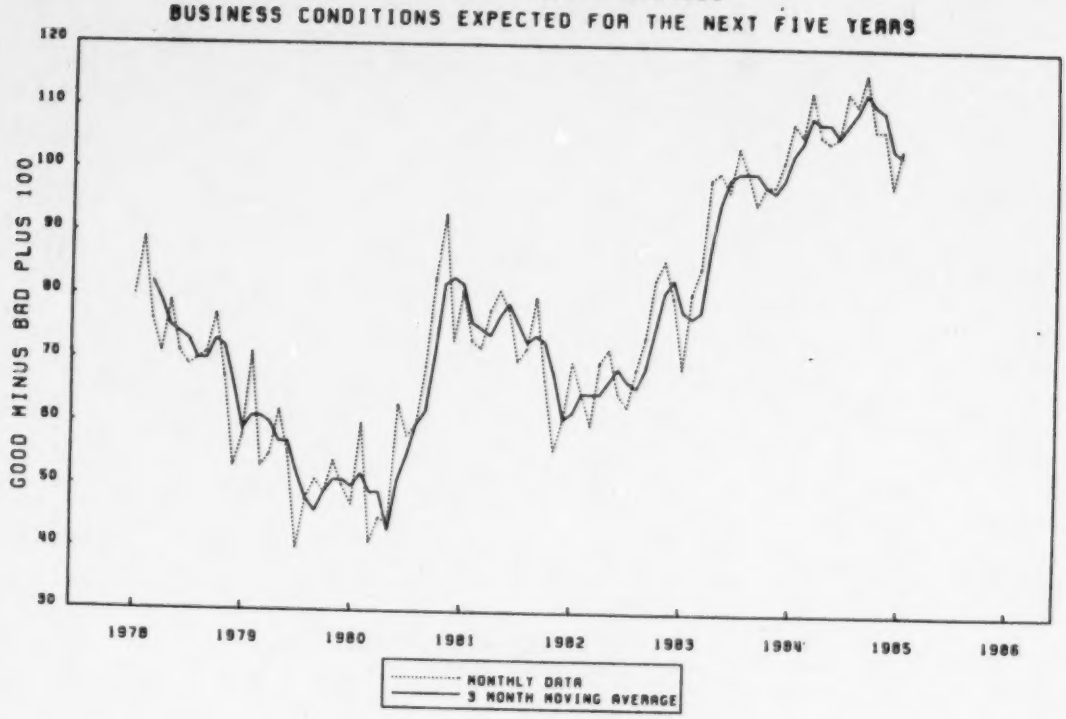


CHART 19 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

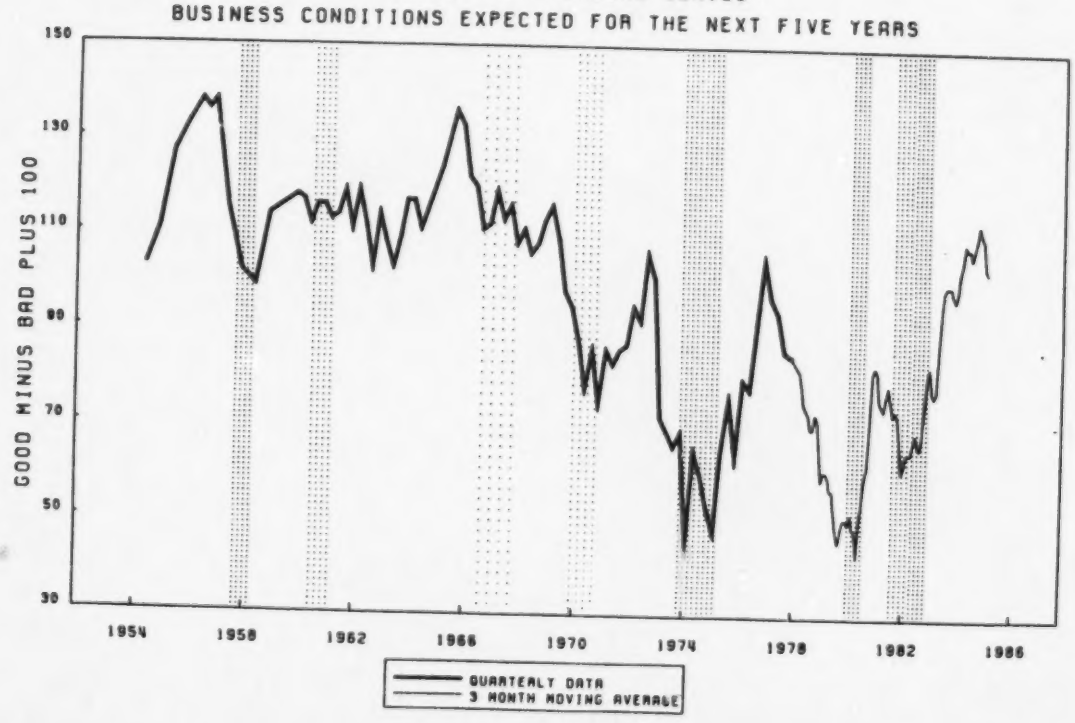


TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Jan. 1984	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
GOOD TIMES	44%	42%	47%	41%	43%	42%	44%	47%	47%	43%	42%	39%	43%
UNCERTAIN; GOOD & BAD	17	16	15	19	15	17	19	13	17	17	17	15	15
BAD TIMES	36	36	34	35	38	36	31	36	31	36	35	41	39
NOT ASCERTAINED	3	6	4	5	4	5	6	4	5	4	6	5	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	681	687	700	705	690	680	656	693	690	706	710	704	640

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

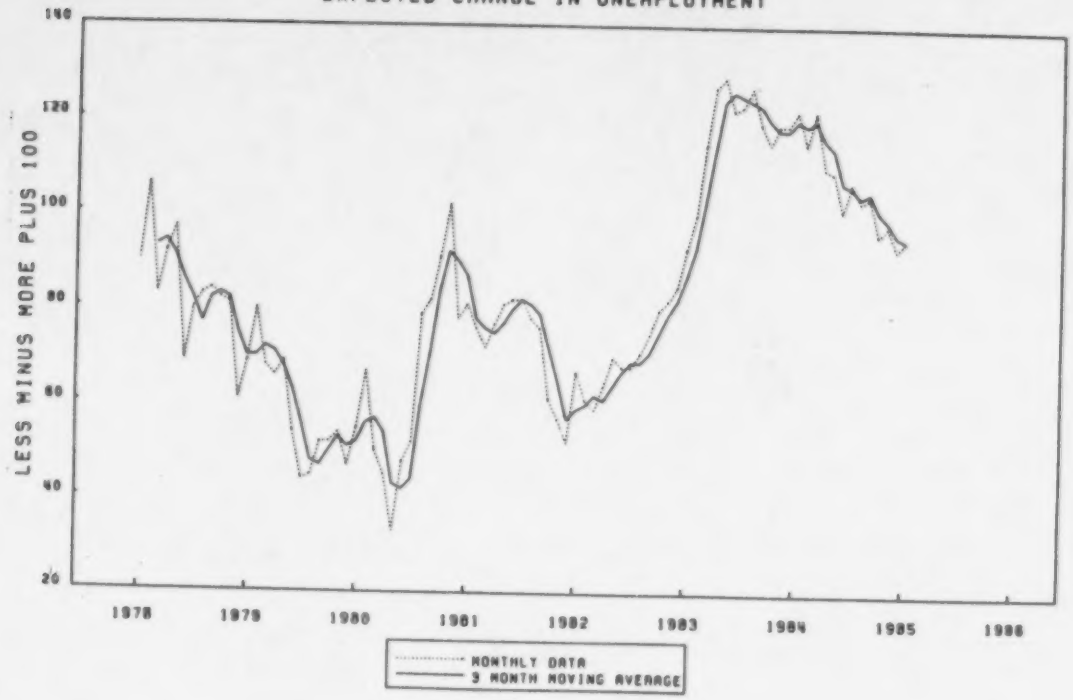


CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

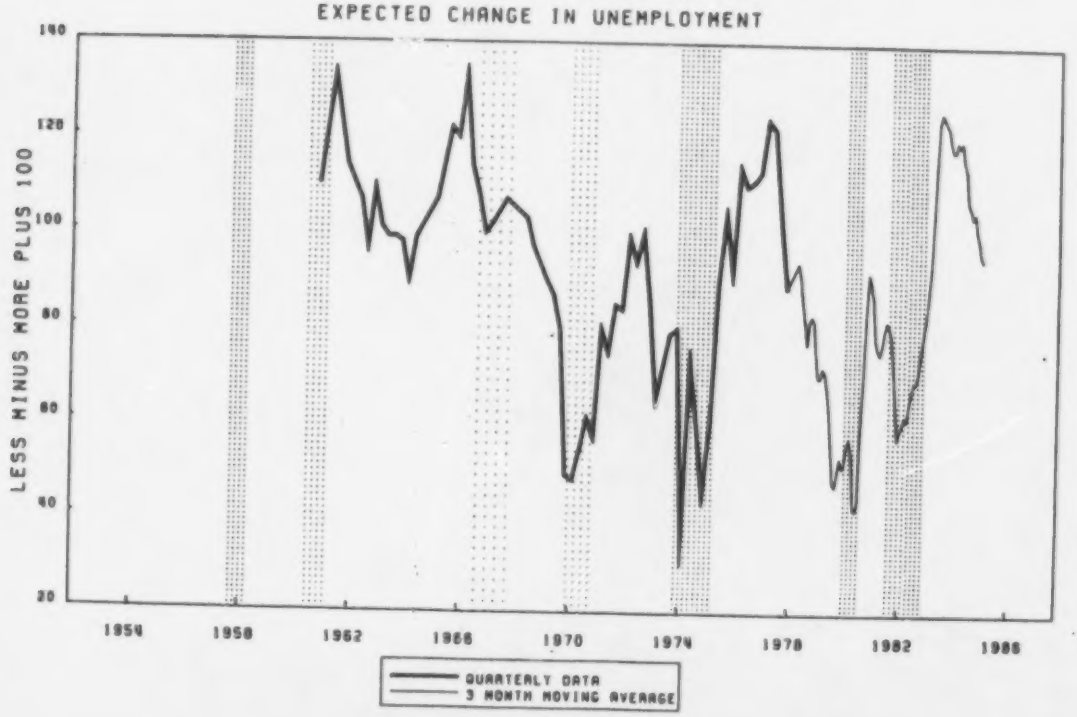


TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

	Jan. 1984	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
LESS	36%	31%	38%	28%	29%	24%	26%	24%	26%	20%	22%	21%	20%
SAME	48	50	45	52	51	52	53	54	50	54	52	50	54
MORE	14	16	16	18	20	23	19	21	22	24	24	28	25
DK,NA	2	3	1	2	*	1	2	1	2	2	2	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	681	687	700	705	690	680	656	693	690	706	710	704	640

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

* : Less than half of one percent.

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

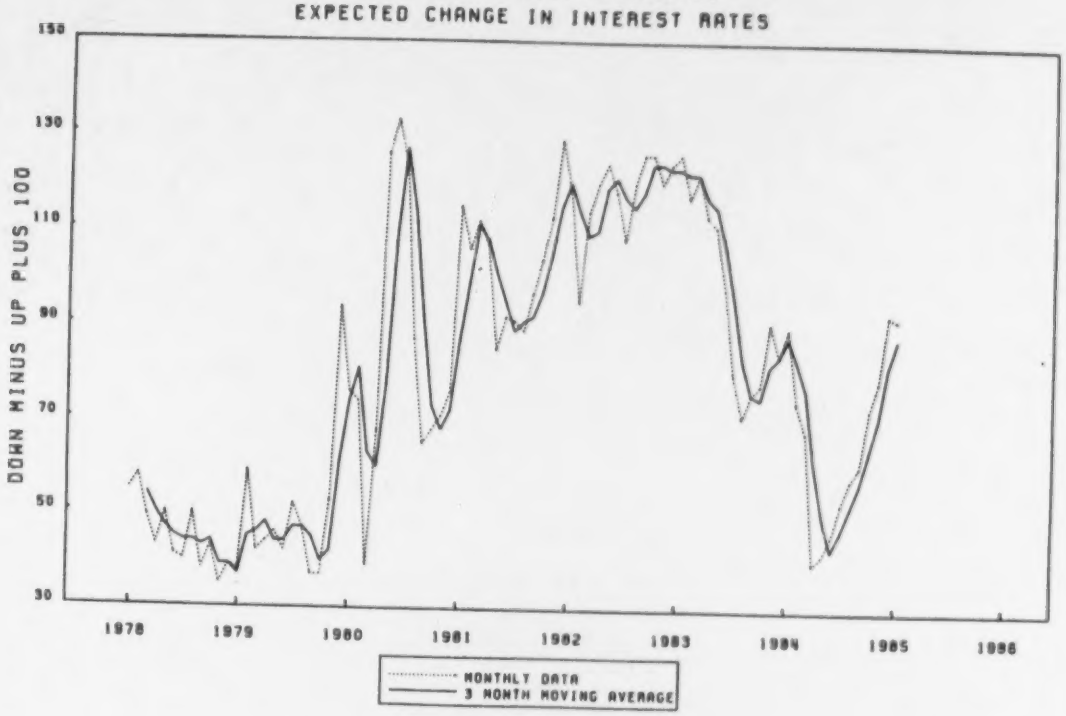


CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

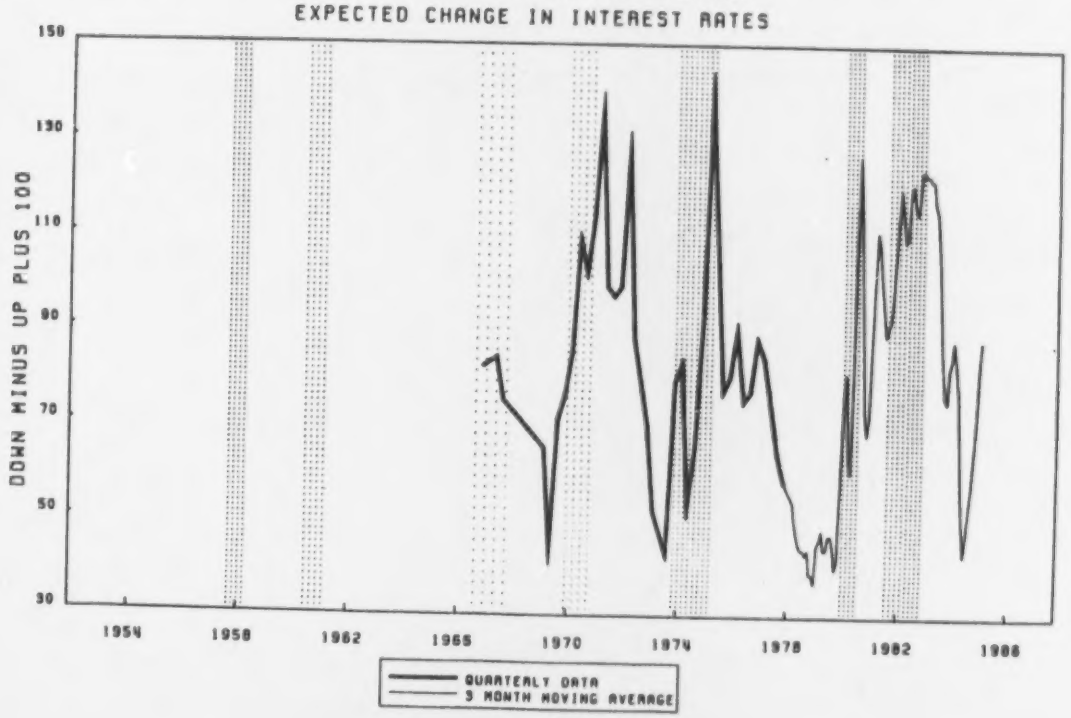


TABLE 21

EXPECTED CHANGE IN INTEREST RATES

	Jan. 1984	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
GO UP	32%	42%	45%	68%	66%	64%	58%	55%	52%	45%	44%	37%	36%
STAY THE SAME	43	38	37	21	25	24	27	29	32	33	31	30	33
GO DOWN	22	16	13	8	8	10	11	13	13	18	23	30	28
DK,NA	3	4	5	3	1	2	4	3	3	4	2	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	681	687	700	705	690	680	656	693	690	706	710	704	640

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22 - RECENT CHANGES

CHANGE IN PRICES DURING THE LAST 12 MONTHS

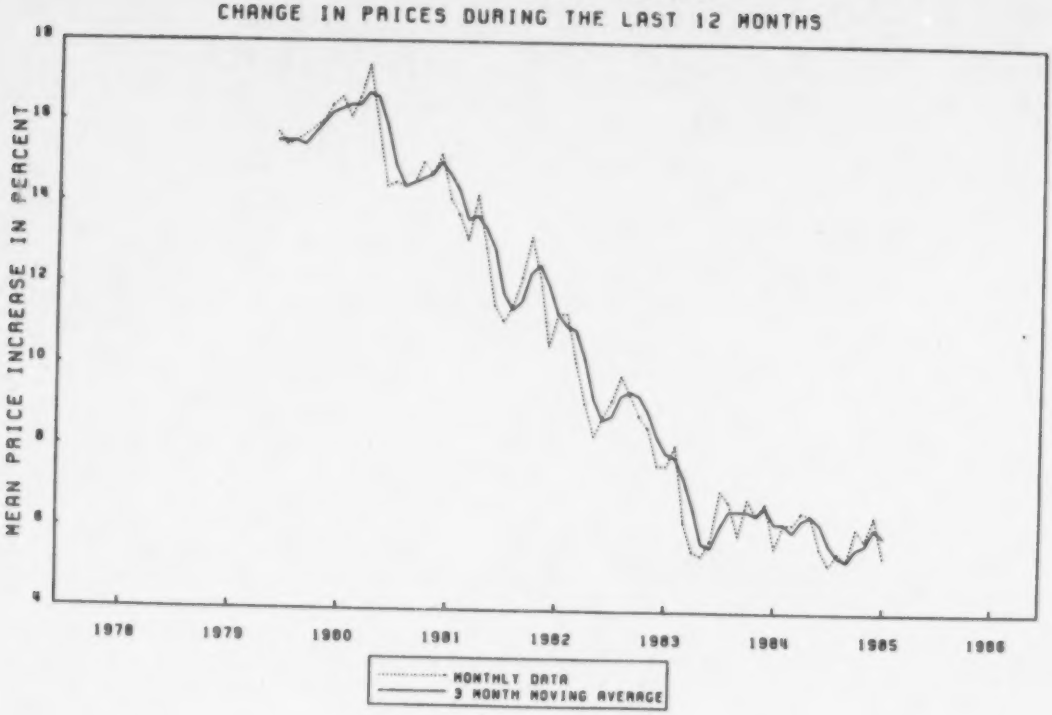


CHART 22 - HISTORICAL SERIES

CHANGE IN PRICES DURING THE LAST 12 MONTHS

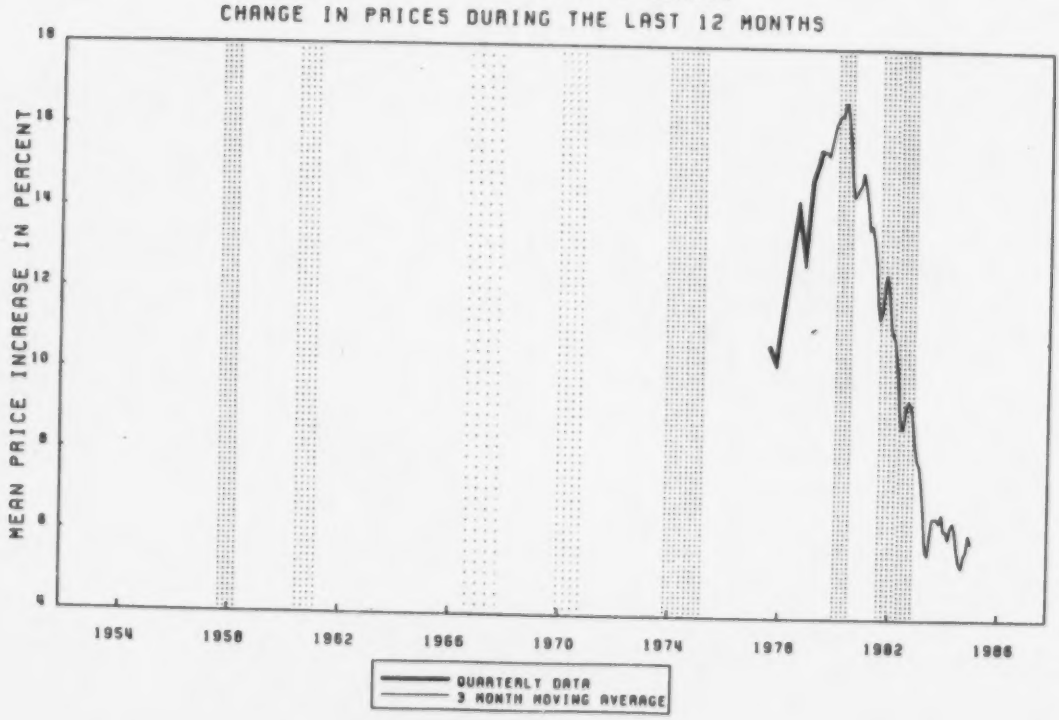


TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

	Jan. 1984	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
SAME OR DOWN	23%	23%	23%	22%	23%	22%	27%	29%	29%	28%	27%	24%	25%
GONE UP BY:													
1-2%	12	9	8	10	10	12	8	10	9	9	11	9	11
3-4%	16	14	16	14	14	17	17	12	16	15	15	14	17
5%	17	17	15	17	17	16	16	18	16	13	14	18	17
6-9%	8	9	10	11	9	8	8	8	7	7	5	6	7
10-14%	9	14	12	9	13	12	11	11	9	11	11	11	10
15% or more	7	9	9	12	10	8	8	7	8	11	10	10	8
DK how much up	7	5	7	5	4	5	4	5	6	5	6	7	5
DK,NA	1	*	*	*	*	*	1	*	*	1	1	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	5.6	6.2	6.2	6.5	6.4	5.6	5.2	5.5	5.3	6.1	5.8	6.4	5.4
VARIANCE	69	68	72	75	78	54	48	75	63	84	76	86	66
CASES	681	687	700	705	690	680	656	693	690	706	710	704	640

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

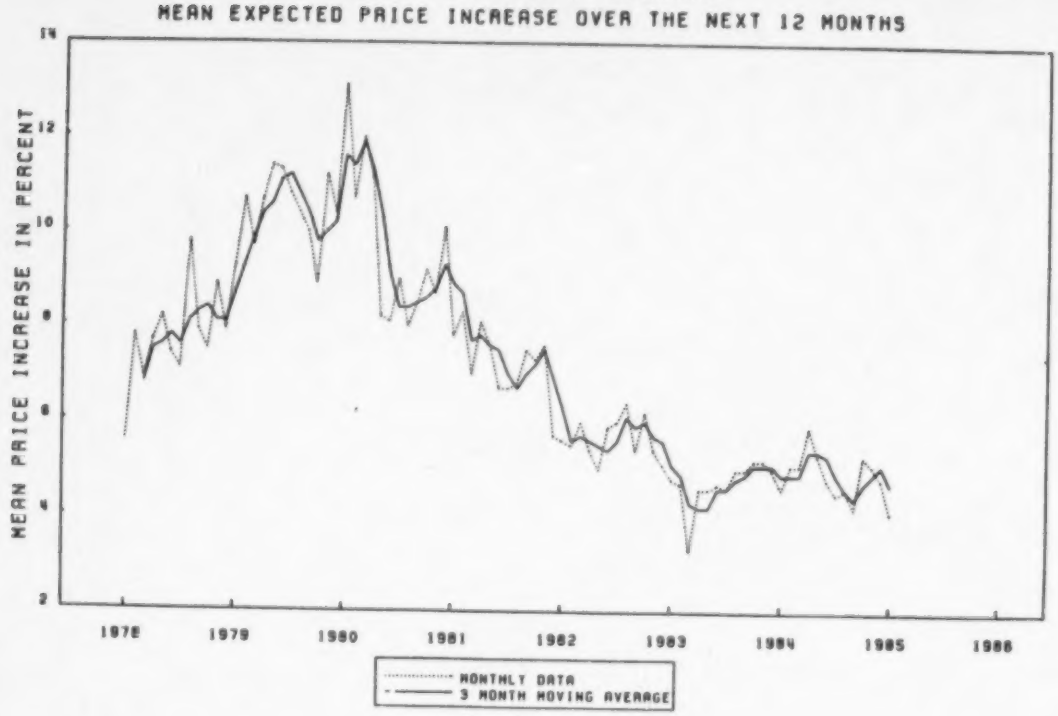


CHART 23 - HISTORICAL SERIES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

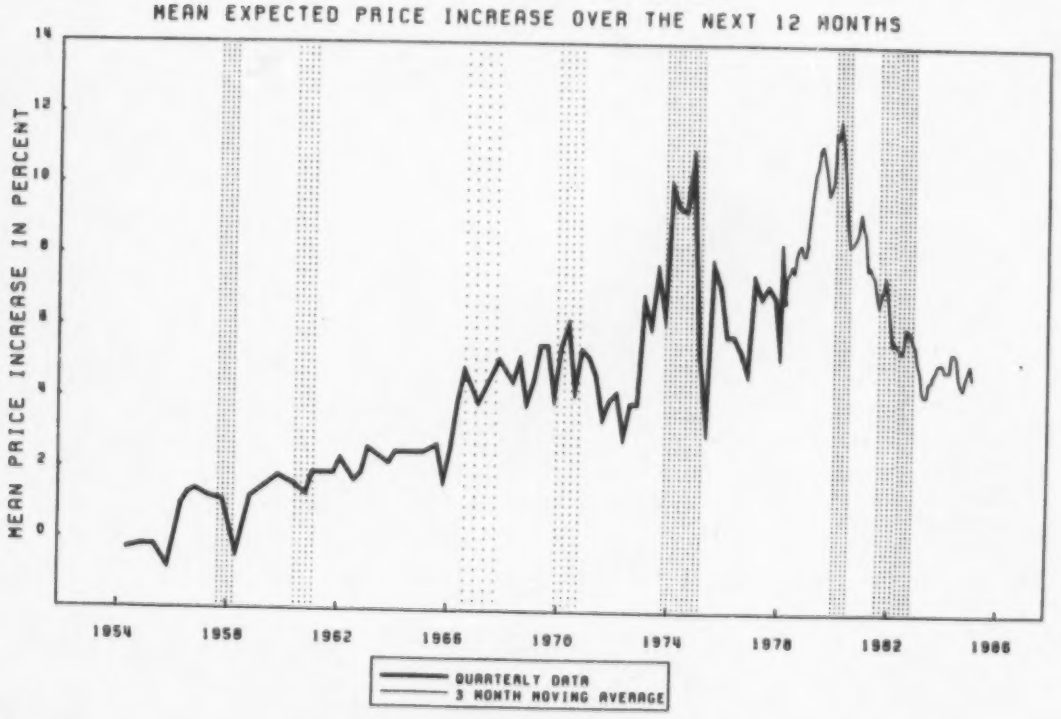


TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Jan. 1984	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
SAME OR DOWN	25%	23%	24%	19%	19%	19%	23%	24%	24%	22%	23%	25%	26%
WILL GO UP BY:													
1-2%	13	14	14	13	15	14	13	18	16	13	14	13	16
3-4%	20	19	16	17	15	16	17	15	19	15	17	17	20
5%	13	19	15	15	20	18	20	18	14	18	18	16	15
6-9%	9	6	10	12	11	11	8	6	8	9	6	9	6
10-14%	10	8	11	11	9	13	8	8	8	10	9	9	7
15% or more	4	6	5	8	6	4	5	5	4	7	7	5	4
DK how much up	4	4	4	3	4	4	3	5	4	4	4	4	4
DK,NA	2	1	1	2	1	1	3	1	3	2	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	4.6	5.1	5.1	5.9	5.3	4.8	4.5	4.6	4.2	5.3	5.1	4.8	4.1
VARIANCE	40	51	55	57	49	27	33	46	36	53	47	44	36
CASES	681	687	700	705	690	680	656	693	690	706	710	704	640

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

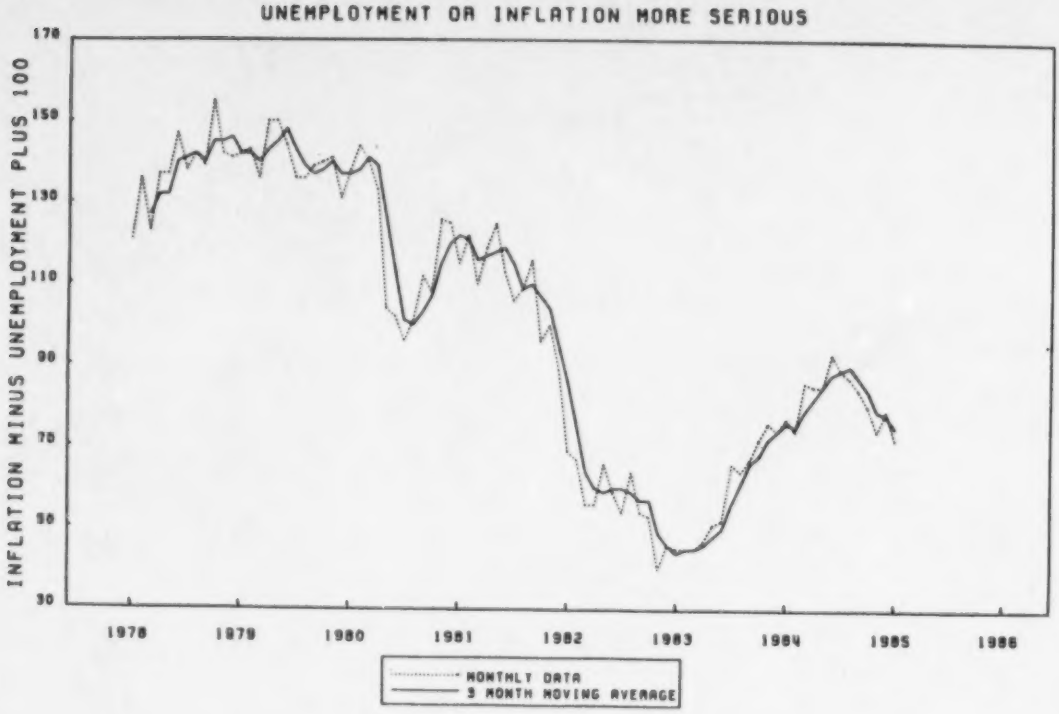


CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

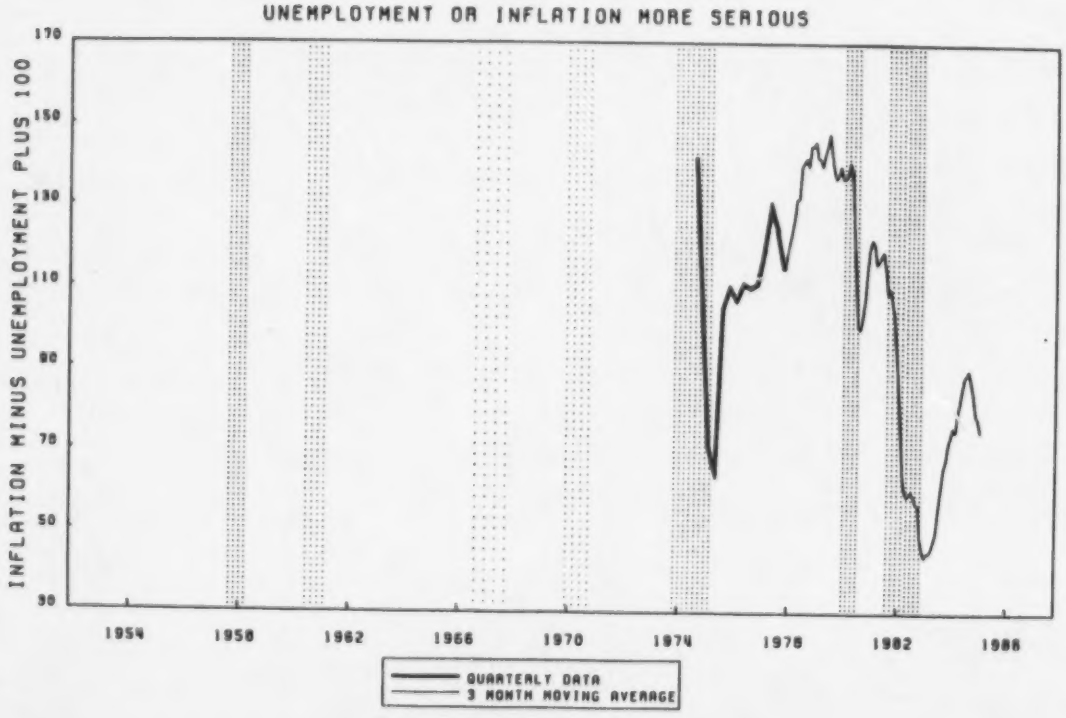


TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

	Jan. 1984	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
UNEMPLOYMENT	58%	59%	52%	53%	54%	51%	51%	52%	54%	55%	59%	56%	60%
BOTH EQUALLY SERIOUS	4	5	7	7	6	3	7	6	5	8	7	6	6
INFLATION	35	33	38	38	39	44	40	39	38	35	33	35	32
DK, NA	3	3	3	2	1	2	2	3	3	2	1	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	681	687	700	705	690	680	656	693	690	706	710	704	640

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

CHART 25 - RECENT CHANGES

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

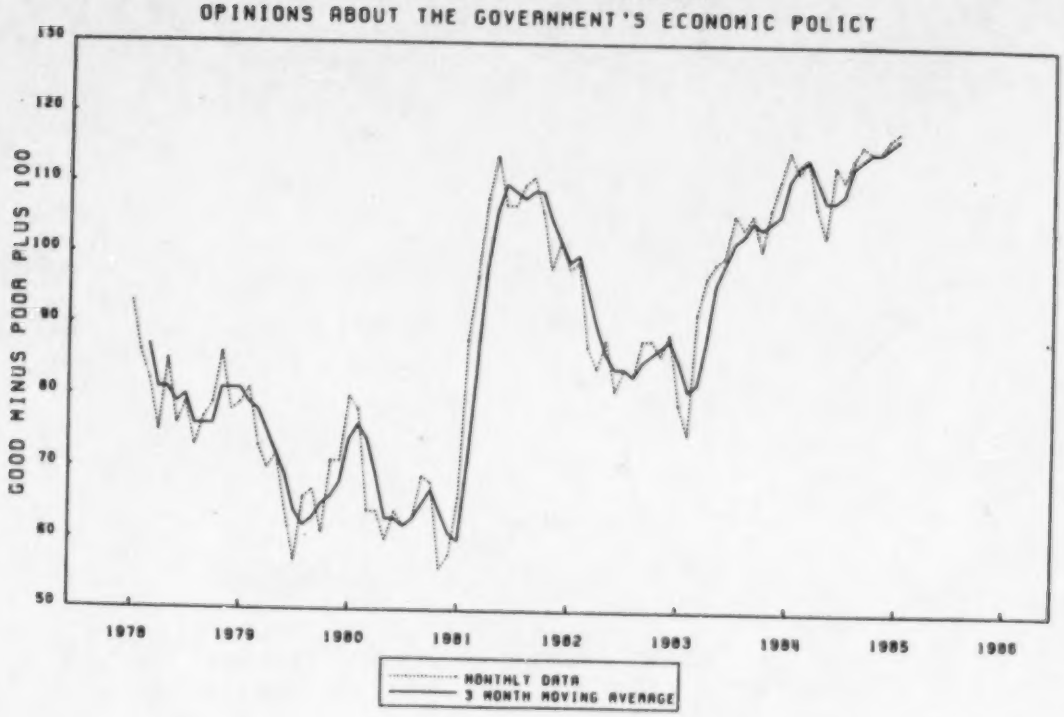


CHART 25 - HISTORICAL SERIES

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

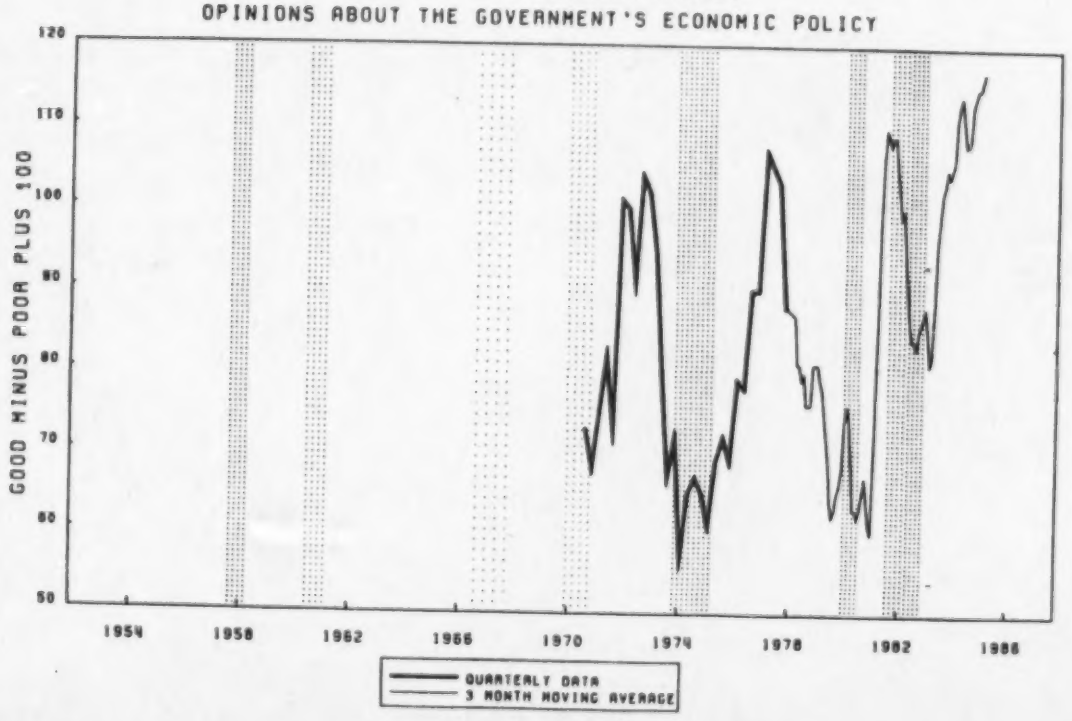


TABLE 25

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Jan. 1984	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
A GOOD JOB	31%	32%	33%	27%	25%	31%	30%	33%	35%	36%	32%	33%	34%
ONLY FAIR	52	45	47	50	52	49	48	46	44	41	50	49	49
A POOR JOB	16	20	19	20	22	18	19	19	19	21	17	16	16
DK,NA	1	3	1	3	1	2	3	2	2	2	1	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	681	687	700	705	690	680	656	693	690	706	710	704	640

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

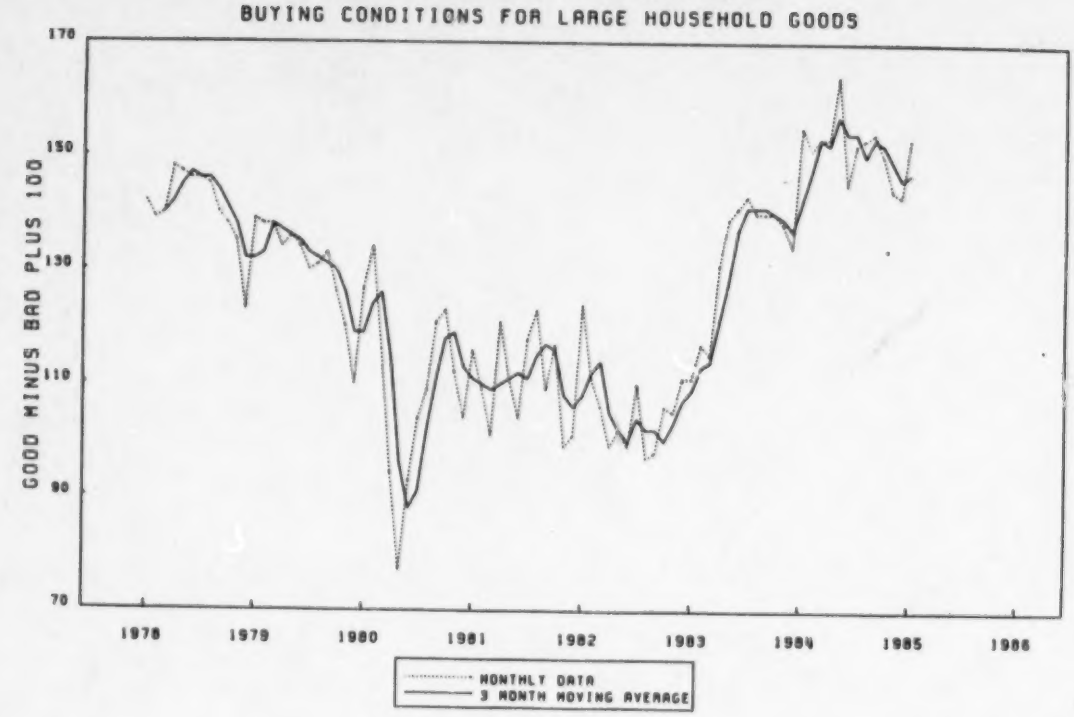


CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

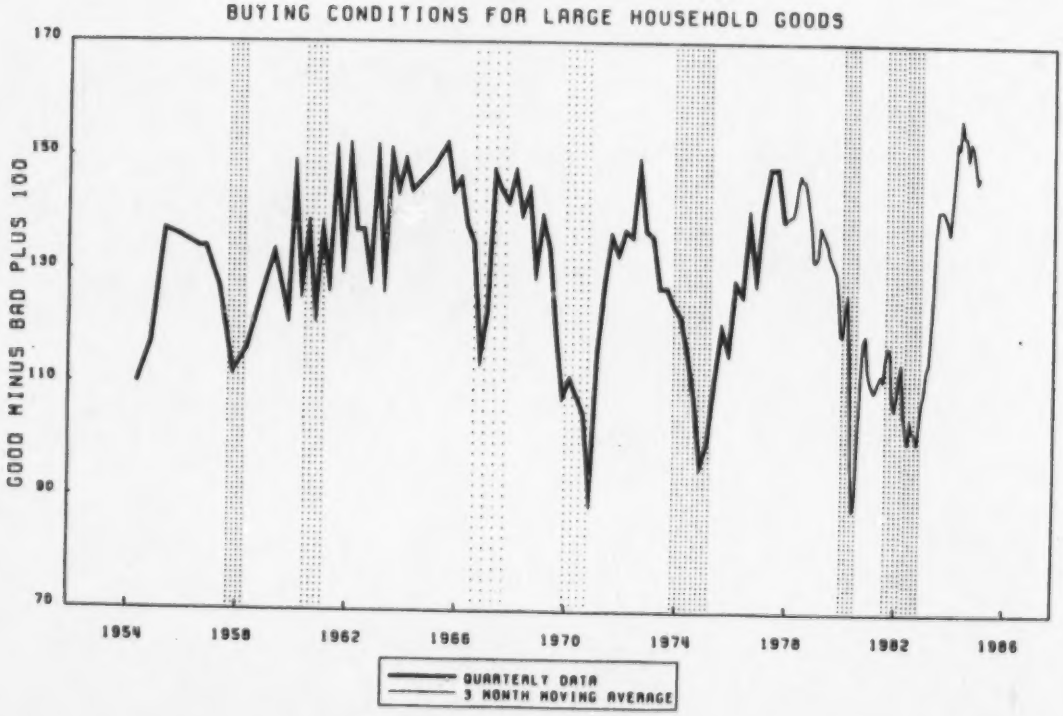


TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Jan. 1984	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
GOOD TIME TO BUY	73%	70%	72%	72%	77%	67%	71%	72%	72%	70%	67%	67%	73%
UNCERTAIN, DEPENDS	9	11	9	9	10	11	10	9	10	10	10	9	7
BAD TIME TO BUY	18	19	19	19	13	22	19	19	18	20	23	24	20
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	681	687	700	705	690	680	656	693	690	706	710	704	640

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 27A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

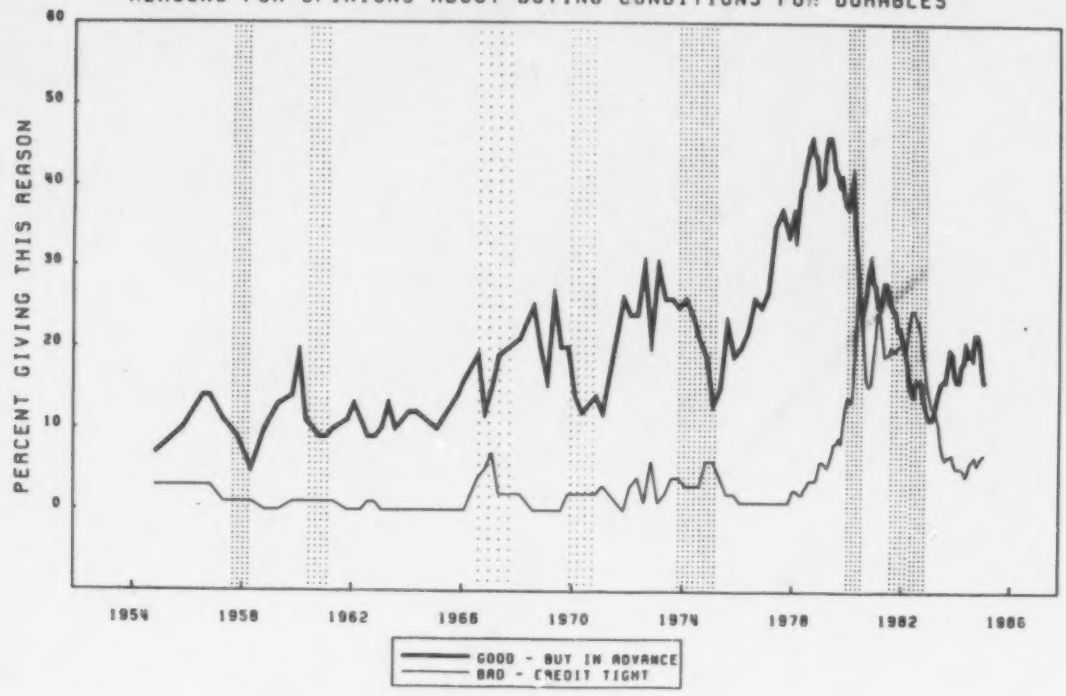


CHART 27B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

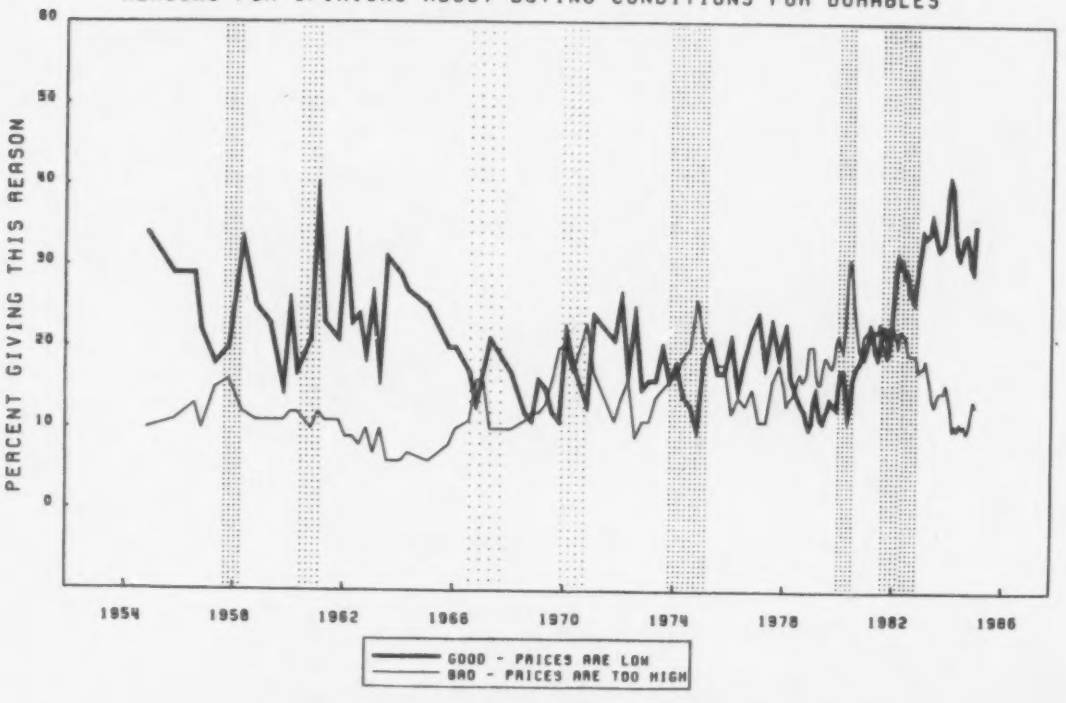


TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Jan. 1984	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
GOOD TIME TO BUY:													
Prices are low; good buys available	45%	39%	35%	30%	31%	33%	33%	35%	34%	29%	28%	32%	45%
Prices won't come down; are going higher	19	16	19	20	22	16	21	20	24	21	17	15	16
Interest rates low; credit is easy	9	11	10	14	11	11	10	8	8	11	11	10	11
BAD TIME TO BUY:													
Prices are high	10	10	10	12	8	13	10	9	10	12	14	15	10
Interest rates are high; credit is tight	6	7	3	5	5	5	8	6	6	5	8	7	6
Lack of purchasing power	7	7	9	6	5	7	5	7	7	7	7	7	10

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

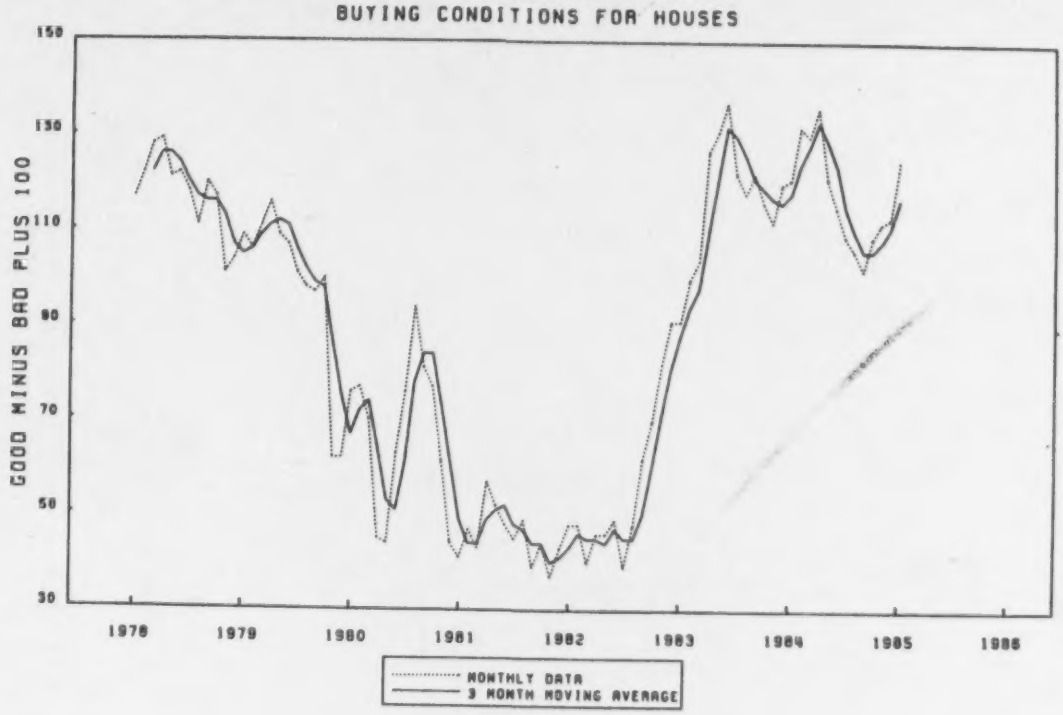


CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

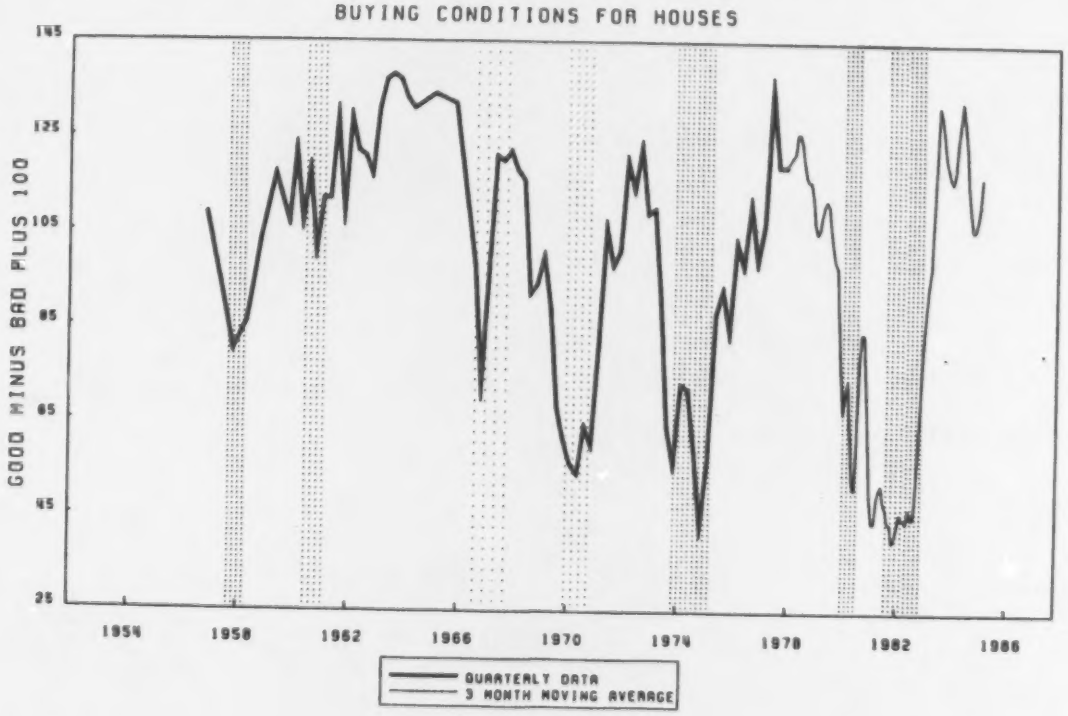


TABLE 28

BUYING CONDITIONS FOR HOUSES

	Jan. 1984	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
GOOD TIME TO BUY	59%	63%	62%	66%	58%	55%	52%	50%	48%	52%	54%	54%	61%
UNCERTAIN, DEPENDS	3	6	6	4	5	5	5	6	6	5	4	5	3
BAD TIME TO BUY	38	31	32	30	37	40	43	44	46	43	42	41	36
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	681	687	700	705	690	680	656	693	690	706	710	704	640

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 29A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

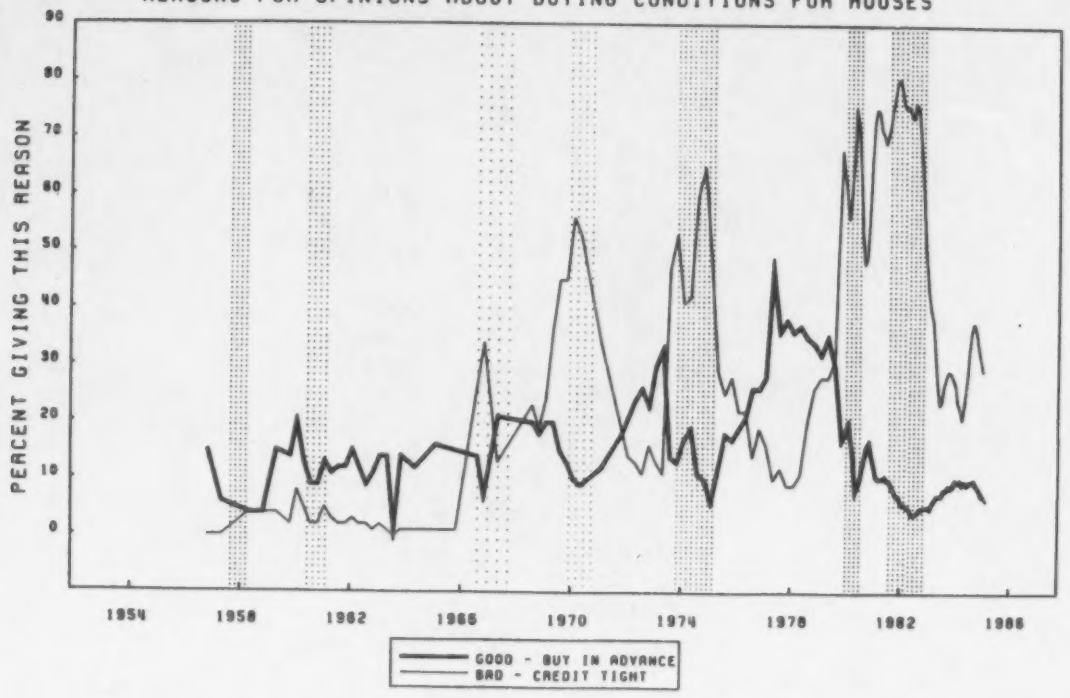


CHART 29B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

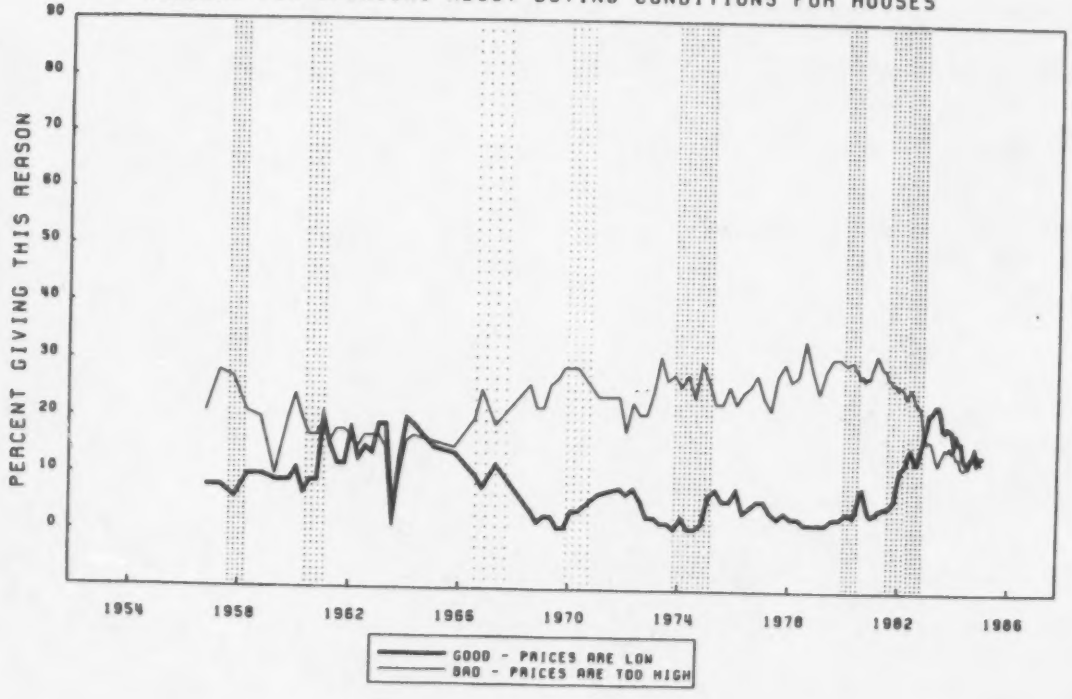


TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Jan. 1984	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
GOOD TIME TO BUY:													
Prices are low; good buys available	15%	20%	15%	15%	12%	13%	13%	15%	14%	15%	11%	17%	15%
Prices won't come down; are going higher	12	8	10	10	9	9	11	9	10	9	7	8	7
Interest rates low; credit is easy	41	50	49	52	44	38	37	35	34	35	44	38	49
Good investment	8	6	8	6	5	8	5	4	7	5	7	5	6
BAD TIME TO BUY:													
Prices are high	16	13	13	11	12	14	12	16	16	16	12	13	14
Interest rates are high; credit is tight	26	20	22	20	29	33	36	40	37	33	31	30	27
Lack of purchasing power	12	10	11	10	12	10	11	11	11	10	13	13	12

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

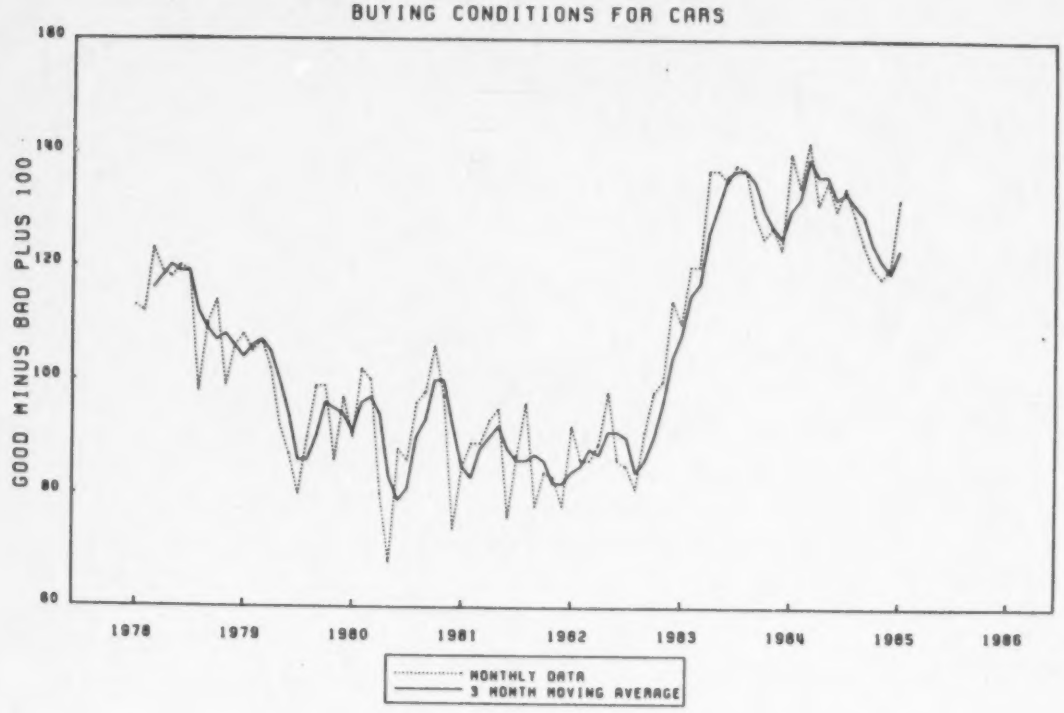


CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

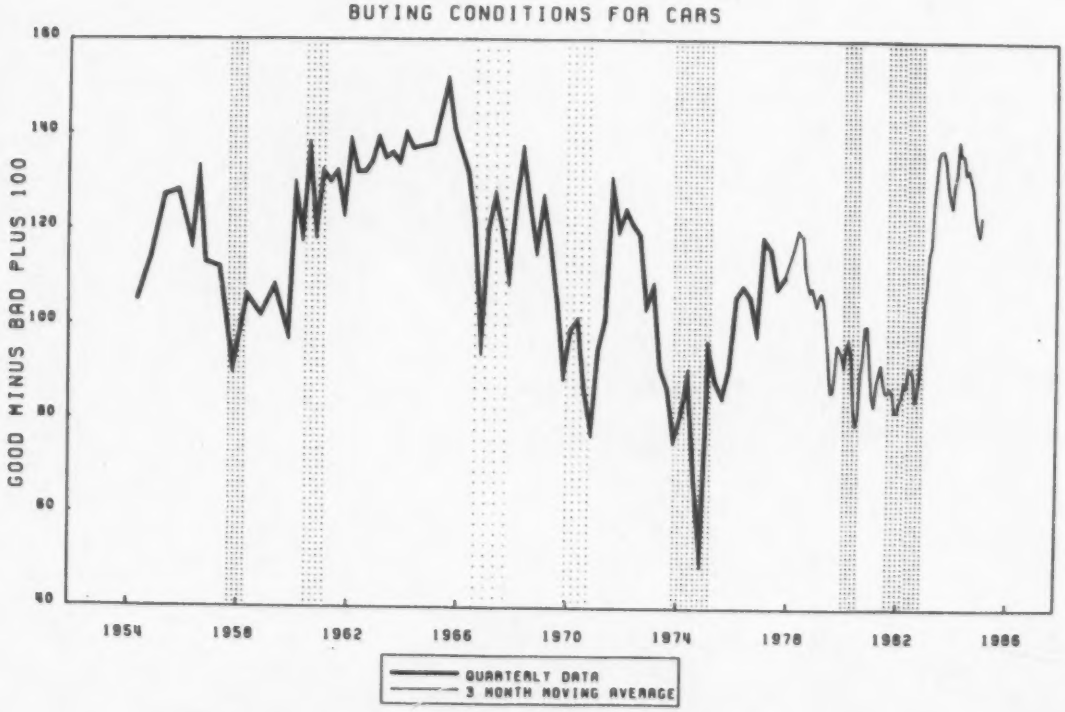


TABLE 30

BUYING CONDITIONS FOR CARS

	Jan. 1984	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
GOOD TIME TO BUY	64%	62%	66%	60%	63%	60%	62%	59%	59%	54%	55%	55%	62%
UNCERTAIN; DEPENDS	12	10	10	11	9	10	10	11	6	12	8	10	8
BAD TIME TO BUY	24	28	24	29	28	30	28	30	35	34	37	35	30
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	681	687	700	705	690	680	656	693	690	706	710	704	640

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 31A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

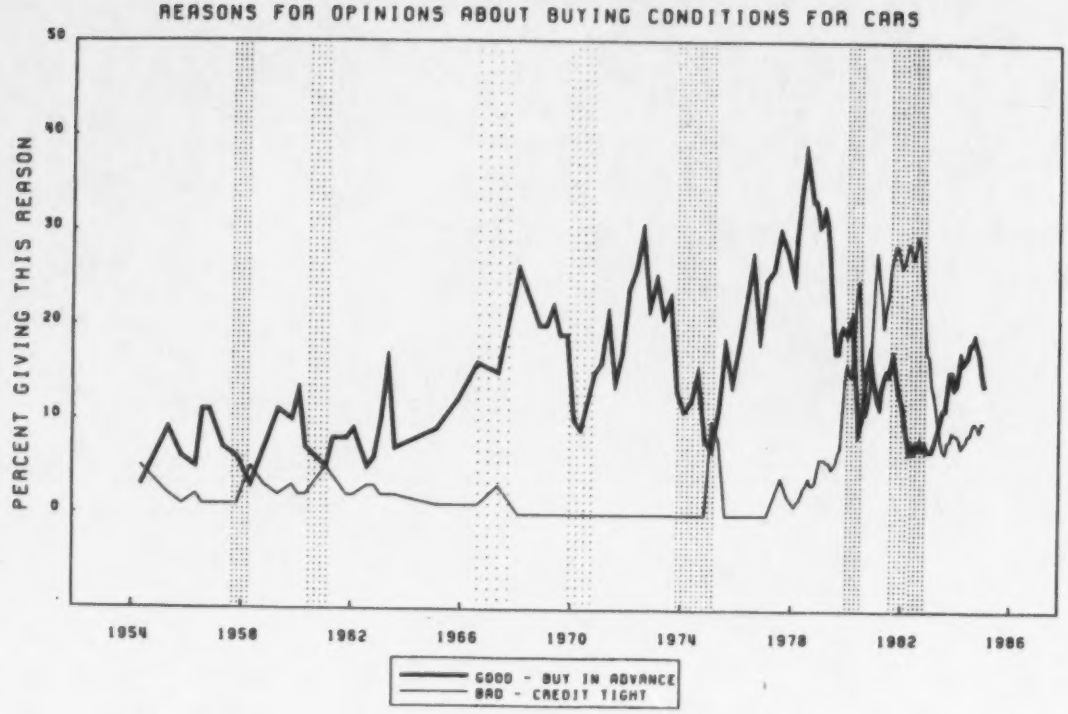


CHART 31B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

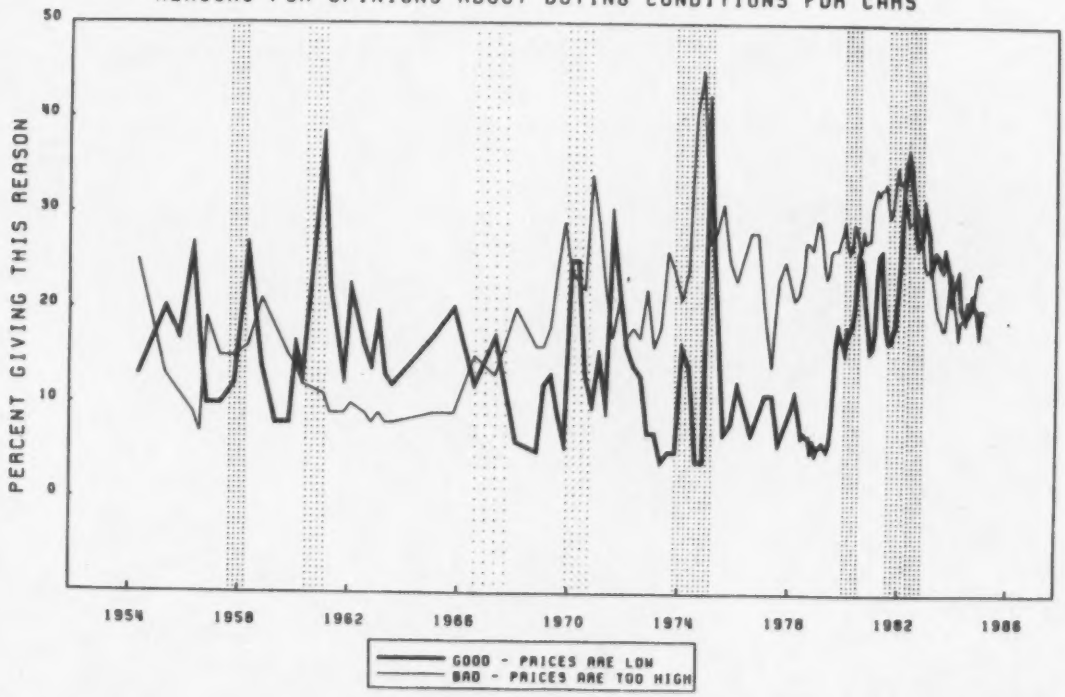


TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Jan. 1984	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
GOOD TIME TO BUY:													
Prices are low; good buys available	26%	22%	23%	16%	20%	21%	21%	19%	24%	18%	18%	18%	24%
Prices won't come down; are going higher	18	16	17	16	17	18	20	17	20	17	15	14	13
Interest rates low; credit is easy	23	22	22	22	18	18	24	17	15	14	18	15	23
New fuel efficient models	1	2	1	1	3	1	1	2	1	2	*	2	*
BAD TIME TO BUY:													
Prices are high	16	18	17	22	18	20	20	19	22	23	25	24	21
Interest rates are high; credit is tight	8	8	6	9	9	8	9	12	9	8	10	12	8
Lack of purchasing power	3	5	5	4	5	4	4	5	6	6	8	7	7
Price of gas; shortages	*	*	1	*	*	*	*	1	*	*	*	*	*
Poor selection; quality	5	4	4	6	2	2	4	4	3	3	5	4	4

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 32 - RECENT CHANGES

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

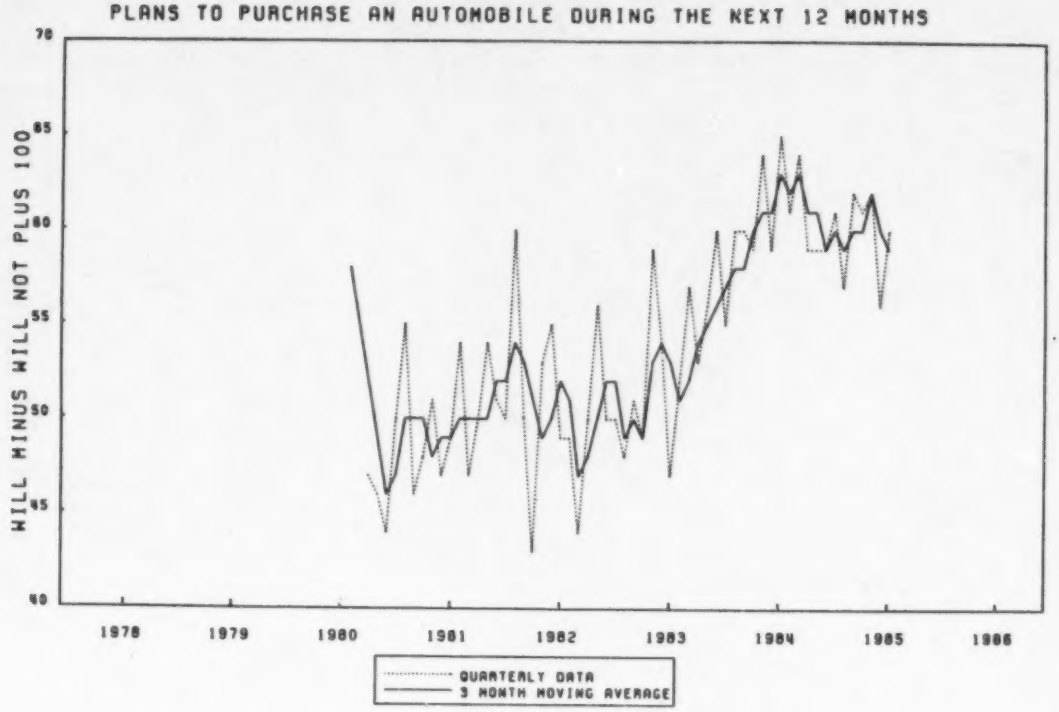


CHART 32 - HISTORICAL SERIES

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

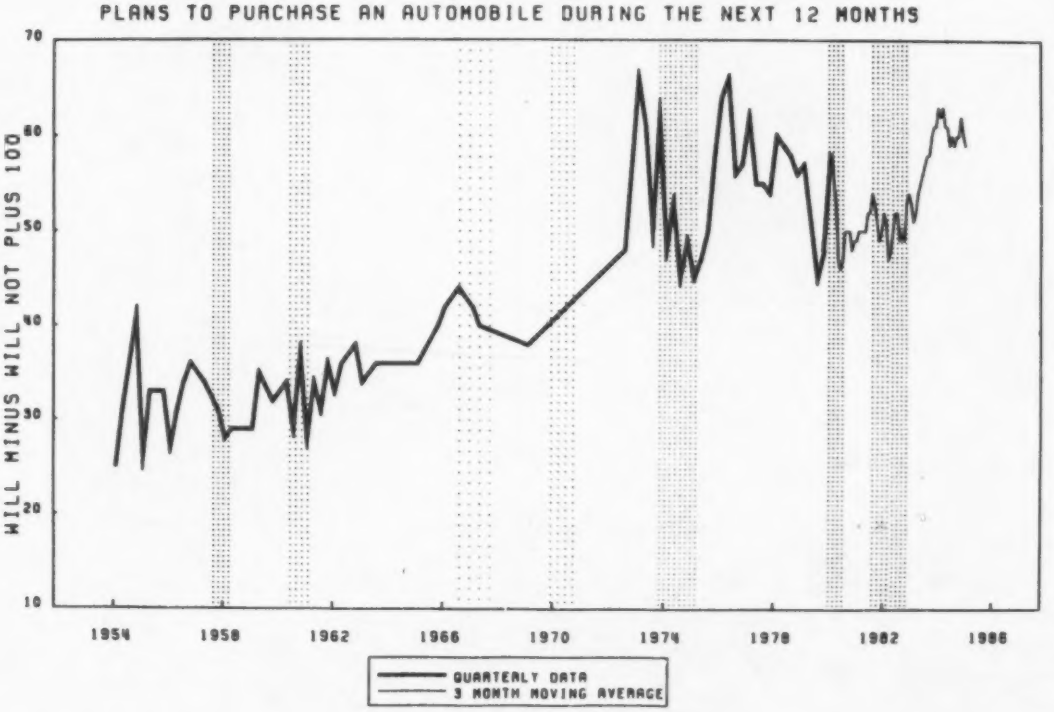


TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

	Jan. 1984	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
PROBABLY WILL BUY	23%	21%	22%	21%	19%	20%	20%	21%	22%	21%	21%	19%	20%
CHANCES ARE EVEN	7	9	12	6	12	9	9	7	8	8	9	9	9
PROBABLY WILL NOT BUY	58	60	58	62	60	61	59	64	60	60	59	63	60
DK,NA	12	10	8	11	9	10	12	8	10	11	11	9	11
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	681	687	700	705	690	680	656	693	690	706	710	704	640

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

	Jan. 1984	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	30%	30%	34%	27%	31%	29%	29%	28%	30%	29%	30%	28%	29%
PURCHASE TYPE:													
Buy new	15	14	16	13	15	16	15	15	14	15	15	13	17
Buy used	13	13	17	12	14	11	12	11	13	12	13	13	11
Lease	1	2	1	1	2	1	2	1	2	2	1	1	1
DK,NA	1	1	*	1	*	1	*	1	1	*	1	1	*
PURCHASE TIMING:													
Next 3 months	5	3	2	7	3	2	7	3	1	6	5	3	5
Next 4-6 months	10	7	10	6	9	8	6	5	8	6	7	6	8
Next 7-9 months	7	8	8	6	7	9	3	4	5	7	7	10	7
10 months or more	4	5	8	4	6	4	7	8	10	4	8	7	5
DK,NA	4	7	6	4	6	6	6	8	6	6	3	2	4

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

	Jan. 1984	Feb. 1984	Mar. 1984	Apr. 1984	May 1984	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	58%	60%	58%	62%	60%	61%	59%	64%	60%	60%	59%	63%	60%
PURCHASE TYPE:													
Would buy new	36	32	32	34	33	36	35	33	34	31	33	34	35
Would buy used	21	26	25	27	26	24	22	29	25	27	25	28	25
DK,NA	1	2	1	1	1	1	2	2	1	2	1	1	*
PURCHASE TIMING:													
Less than 2 years	5	8	7	10	5	7	5	8	5	7	7	7	8
2 years	19	20	19	20	22	21	18	25	21	21	20	23	18
3 years	10	9	9	9	9	8	10	8	11	10	9	10	9
4 years or more	17	17	16	17	18	17	18	15	17	16	17	15	19
Indefinite	2	3	3	1	2	2	3	3	2	1	2	3	2
DK,NA	5	3	4	5	4	6	5	5	4	5	4	5	4

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

* : Less than half of one percent.

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

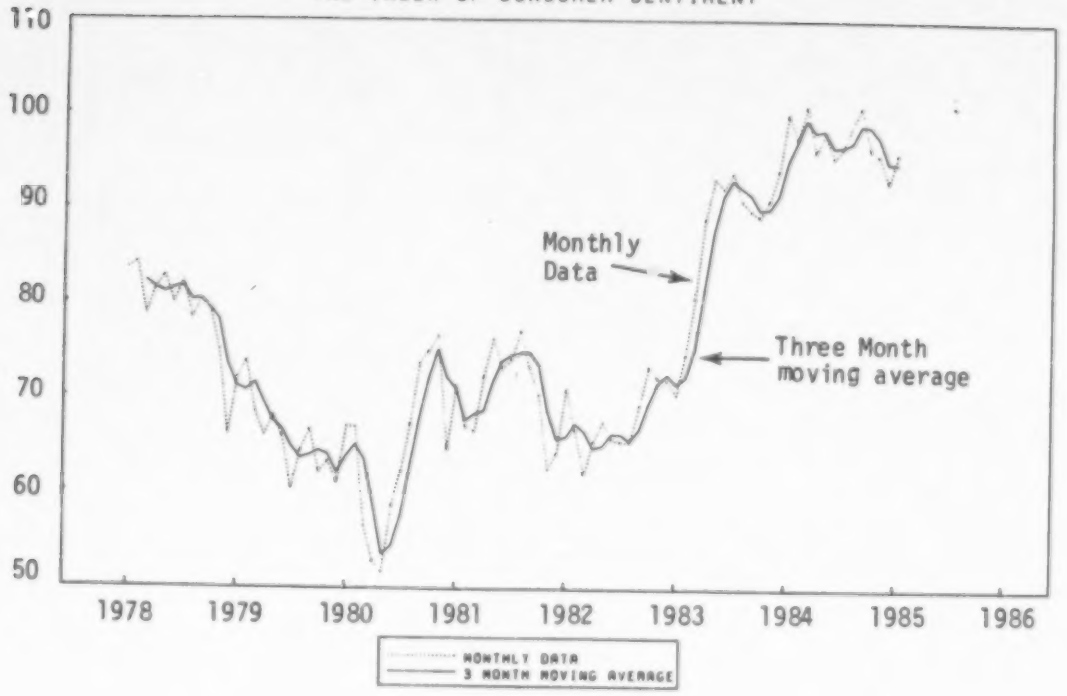
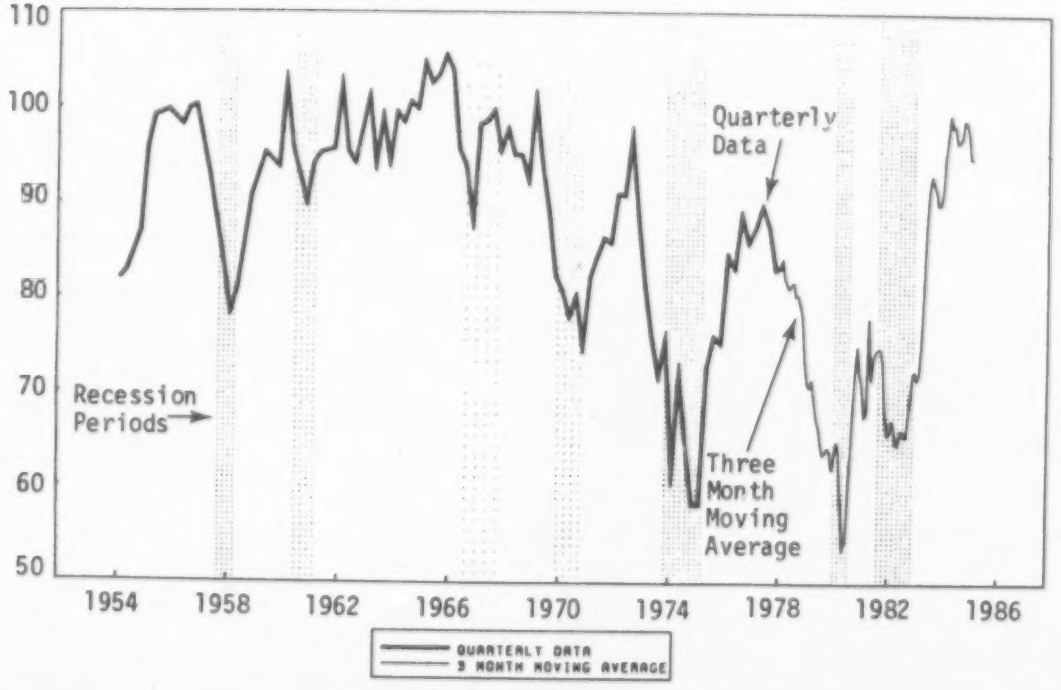


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES:	November	1948	- October	1949
	July	1953	- May	1954
	August	1957	- April	1958
	April	1960	- February	1961
	June	1966	- November	1967*
	December	1969	- November	1970
	November	1973	- March	1975
	January	1980	- July	1980
	July	1981	- November	1982

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews		
	700[b]	1,400[c]	2,100[d]
50	4.2	3.2	2.8
30 or 70	3.8	2.9	2.5
20 or 80	3.4	2.6	2.2
10 or 90	2.5	1.9	1.6
5 or 95	1.8	1.4	1.2

[a]The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

[b]Average size of monthly surveys.

[c]Average size of two monthly surveys.

[d]Average size of three monthly surveys (one quarter).